

April 30, 2010

NOTICE OF FUNDED STATUS

FOR

**SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 32BJ, CONNECTICUT DISTRICT PENSION FUND**

EIN: 06-0909320

Plan No. 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act (the "PPA" or "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a Plan's "financial health" with participants and other interested parties directly related to the Plan.

The Plan's Critical ("Red Zone") Status

On March 31, 2010, the Plan's actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the Service Employees International Union Local 32BJ, Connecticut District Pension Fund (the "Plan") is in critical status (commonly known as the "red zone") for the Plan Year beginning January 1, 2010. Federal law requires that you be notified of the funding status of the Plan and its classification as being in critical status. The Plan is considered to be in critical status because the Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency in the plan year ending December 31, 2013.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires the Board of Trustees of pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the Plan. In addition to revising the Plan's formula for future benefit accruals and making similar changes, as part of a Rehabilitation Plan, the law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits." The Trustees of the Plan have determined that such benefit reductions are necessary under certain circumstances, and have adopted a Rehabilitation Plan which may provide for such reductions. A short summary of those reductions and the circumstances under which they will take effect are discussed in the attachment to this Notice. In addition, you will receive a separate notice identifying and explaining the effect of those reductions or adjustments in greater depth in the event that they are implemented. These reductions may only apply to Participants and Beneficiaries whose benefit commencement date is on or after April 30, 2010.

Adjustable Benefits

The Plan offers some or all of the following adjustable benefits to different groups covered by the Plan. Although, as discussed above, these benefits may be reduced or eliminated as part of the Rehabilitation Plan, as the attached summary indicates, the Trustees have determined that they are not required to reduce or eliminate all of these adjustable benefits:

Disability benefits (if not yet in pay status),

Early retirement benefit,

Death benefits, other than the Qualified Pre-Retirement Survivor Annuity (QPSA),

Optional forms of payments,

Social Security Level Income Option.

Employer Surcharge

The law requires that all contributing employers pay the Plan a surcharge to help correct the Plan's financial situation until the employer enters into a collective bargaining agreement that implements one of the schedules adopted as part of the Rehabilitation Plan (a "Conforming Agreement.") 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 year the Plan is in critical status and increased to a 10% surcharge for each succeeding plan year while the Plan is in critical status. The surcharges will be disregarded in determining benefits and withdrawal liability, as required by the law. The law provides that the surcharge commences thirty (30) days after an employer has been notified by the Trustees that the plan is in critical status and that the surcharge is in effect. This Notice of Funded Status constitutes the foregoing notice. Accordingly, absent an employer's entry into a Conforming Agreement by May 31, 2010, the surcharge will be payable with the contributions due on July 1, 2010 (since those contributions reflect work performed in June 1, 2010.)

What's Next

The Plan's Board of Trustees have adopted a Rehabilitation Plan, a copy of which will be sent to Contributing Employers and the Union shortly. Participants and Beneficiaries will receive a separate notice identifying and explaining the effect of any reductions or adjustments of benefits and may request a copy of the Rehabilitation Plan.

You will receive notices like this each year, letting you know of the Plan's progress in stabilizing its financial status. Since the funding of the Plan is influenced by economic and financial variables beyond the control of the Trustees (such as investment market volatility and changes in employment levels and/or the number of contributing employers), unexpected developments can affect the Plan's status and cause modification of the Rehabilitation Plan and the required corrective actions needed.

The Rehabilitation Plan and any recommended changes in benefits, contributions, or other Plan provisions will be communicated to all affected individuals and parties before any changes are made. In the interim, and, as discussed above, a summary of the provisions of the Rehabilitation Plan is attached to this Notice. In addition, as previously noted, no benefit changes will be included in the Rehabilitation Plan for any retiree or beneficiary currently in pay status (with benefits started before April 30, 2010).

Where to Get More Information

For more information about this Notice, you may contact:

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We understand that legally required notices like this one can create concern about the Plan's future. We are working closely with our professional advisors to monitor the Plan's condition and develop strategies to improve the Fund's funding status and provide you with sound pensions.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation

Housing Authority of the City of Norwalk

The Rehabilitation Plan will consist of four schedules:

1. The Default Schedule - This schedule requires an increase in the current 16% contribution rate, effective January 1, 2011, to 17.75% and reduces benefits on a prospective basis, effective October 1, 2010, by (i) reducing the 1.60%/2.00% benefit accrual rate to a 1.60%/1.92% benefit accrual rate, (ii) eliminating a Fund participant's right to retire with an unreduced benefit on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80 (the "Rule of 80"), (iii) eliminating the Disability Pension (for those not already in pay status) and (iv) eliminating the 5% early retirement reduction factor for those who elect an Early Retirement Pension. Those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.
2. Alternative Schedule A – This schedule maintains the current contribution rate, the Rule of 80, the 5% early retirement reduction factor and the Disability Pension, but reduces the benefit accrual rate, effective October 1, 2010, to 0.85%/1.05%.
3. Alternative Schedule B - This schedule maintains the current contribution rate, but reduces the benefit accrual rate to 1.25%/1.50% and eliminates the Rule of 80, the 5% early retirement reduction factor and the Disability Pension, effective October 1, 2010. Those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.
4. The Preferred Schedule – This schedule maintains the current benefit accrual rate, the Rule of 80, the 5% early retirement reduction factor and the Disability Pension, but increases the contribution rate, effective January 1, 2011, to 21.25%.

Please note that under the terms of the Pension Protection Act, the Default Schedule will be imposed 180 days after the expiration of the collective bargaining agreement currently in effect unless the parties enter into a new collective bargaining agreement that implements one of the other Schedules adopted as part of the Rehabilitation Plan.

City of Lebanon - Custodians

The Rehabilitation Plan will consist of three schedules:

1. The Default Schedule - This Schedule requires an increase in the current contribution rate, effective January 1, 2011, from 10% to 12.1% and maintains the current 1% accrual rate. However, it reduces benefits on a prospective basis, effective October 1, 2010, by (i) eliminating a Fund participant's right to retire on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80 (the "Rule of 80"), (ii) eliminating the Disability Pension (for those not already in pay status) and (iii) eliminating the 5% early retirement reduction factor for those who elect an Early Retirement Pension. Those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.
2. The Alternative Schedule – This Schedule maintains the current contribution rate, but, effective October 1, 2010, reduces the benefit accrual rate to 0.4% in addition to eliminating the Rule of 80, the 5% early retirement reduction factor and the Disability Pension. (As under the Default Schedule, those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.)
3. The Preferred Schedule – This Schedule maintains the current benefit accrual rate, the Rule of 80, the 5% early retirement reduction factor and the Disability Pension, but increases the contribution rate, effective January 1, 2011, from 10% to 14%.

Please note that under the terms of the Pension Protection Act, the Default Schedule will be imposed 180 days after the expiration of the collective bargaining agreement currently in effect unless the parties enter into a new collective bargaining agreement that implements one of the other Schedules adopted as part of the Rehabilitation Plan.

City of Lebanon – Instructional Assistants

The Rehabilitation Plan will consist of two schedules:

1. The Default Schedule - This Schedule requires an increase in the current contribution rate, effective January 1, 2011, from 12% to 12.1% and maintains the current 1% accrual rate. However, it reduces benefits on a prospective basis, effective October 1, 2010, by (i) eliminating a Fund participant's right to retire on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80 (the "Rule of 80"), (ii) eliminating the Disability Pension (for those not already in pay status) and (iii) eliminating the 5% early retirement reduction factor for those who elect an Early Retirement Pension. Those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.
2. The Preferred Schedule – This Schedule maintains the current benefit accrual rate, the Rule of 80, the 5% early retirement reduction factor and the Disability Pension, but increases the contribution rate, effective January 1, 2011, from 12% to 14%.

Please note that under the terms of the Pension Protection Act, the Default Schedule will be imposed 180 days after the expiration of the collective bargaining agreement currently in effect unless the parties enter into a new collective bargaining agreement that implements one of the other Schedules adopted as part of the Rehabilitation Plan.

New Haven Parking Authority

The Rehabilitation Plan will consist of three schedules:

1. The Default Schedule - This schedule maintains the current 15.5% contribution rate and the current 2% accrual rate. However, it reduces benefits on a prospective basis, effective October 1, 2010, by (i) eliminating a Fund participant's right to retire with an unreduced benefit on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80 (the "Rule of 80") and (ii) increasing the early retirement reduction factor for those who elect an Early Retirement Pension from 5% to 6% for each year by which the date benefit payments commence prior to the pensioner's 65th birthday.
2. The Alternative Schedule – This schedule maintains the current contribution rate, the Rule of 80 and the 5% early retirement reduction factor, but reduces the benefit accrual rate, effective October 1, 2010, to 1.75%.
3. The Preferred Schedule – This schedule maintains the current benefit accrual rate, the Rule of 80 and the 5% early retirement reduction factor, but increases the contribution rate, effective January 1, 2011, to 16.7%.

Please note that under the terms of the Pension Protection Act, the Default Schedule will be imposed 180 days after the expiration of the collective bargaining agreement currently in effect unless the parties enter into a new collective bargaining agreement that implements one of the other Schedules adopted as part of the Rehabilitation Plan.

Housing Authority of the City of Waterbury

The Rehabilitation Plan will consist of three schedules:

1. The Default Schedule - This schedule maintains the current 13.5% contribution rate and the current 1.25%/1.85% accrual rate. However, it reduces benefits on a prospective basis, effective October 1, 2010, by (i) eliminating a Fund participant's right to retire with an unreduced benefit on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80 (the "Rule of 80"), (ii) eliminating the Disability Pension (for those not already in pay status) and (iii) eliminating the 5% reduction factor for those who elect an Early Retirement Pension. Those who elect an Early Retirement Pension will receive the actuarial equivalent of the benefit payable at the participant's Normal Retirement Date.
2. The Alternative Schedule – This schedule maintains the current contribution rate, the Rule of 80, the Disability Pension and the 5% early retirement reduction factor, but reduces the benefit accrual rate, effective October 1, 2010, to 0.6%/0.9%.
3. The Preferred Schedule – This schedule maintains the current benefit accrual rate, the Rule of 80, the Disability Pension and the 5% early retirement reduction factor, but increases the contribution rate, effective January 1, 2011, to 18%.

Please note that under the terms of the Pension Protection Act, the Default Schedule will be imposed 180 days after the expiration of the collective bargaining agreement currently in effect unless the parties enter into a new collective bargaining agreement that implements one of the other Schedules adopted as part of the Rehabilitation Plan.

Cleaners

The Rehabilitation Plan contains one schedule which maintains the current contribution rate and the current accrual rate, but reduces benefits on a prospective basis, effective October 1, 2010, by:

- eliminating a Fund participant's right to retire with an unreduced benefit on or after attaining age 55 if the sum of his/her age and years of service equals or exceeds 80, and

- increasing the early retirement reduction factor for those who elect an Early Retirement Pension from 5% for each year by which the date benefit payments commence prior to the pensioner's 65th birthday to 6% for each such year.