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INTERNATIONAL LONGSHOREMEN'S ASS'N.

LOCAL 1922 - 1/2062
PENSION FUND
1007 N. America Way, Suite 407, Miami, FL 33132



August 26, 2011

Critical Status Notice for the ILA Local Union No. 1922 Pension Fund

Dear Pension Fund Participants, Participating Employers and ILA Local Union No. 1922:

Federal law requires pension plans like the Local Union No. 1922 Pension Fund ("the Plan") must be reviewed annually by an actuary who provides an opinion regarding the funded status of the plan. The Plan must annually update participants, participating employers and the union on the actuary's finding regarding the Plan's funded status. Attached is the annual update for the plan year that began May 1, 2011.

The Plan's actuary has determined that the Plan is projected to need additional employer contributions in order to maintain adequate funding levels. This means that the Plan is considered to be in "critical status."

The fact that the Plan is deemed to be in critical status does not mean that it doesn't have any money; it means that the Plan has to pay attention to the warning signs and operate under certain restrictions. One of the limitations is that the Plan cannot pay certain levels of benefits, including any lump sum payments over \$5,000, while it is considered to be in critical status. In an effort to improve the Plan's funded status, the participating employers and union have adopted a "rehabilitation plan" consisting of revised benefit structures, revised employer contributions and changes to the funding periods, which may reasonably be expected to enable the Plan to emerge from critical status.

Enclosed is the Critical Status Notice for the ILA Local Union No. 1922 Pension Fund along with a Spanish translation. The Critical Status Notice is required by law to be distributed to all participants, participating employers and the union.

Sincerely,

Elpidio Ruiz
Fund Manager

ERISA/PUBLIC DISCLOSURE
2011 SEP -1 11:43 AM

INTERNATIONAL LONGSHOREMEN'S ASS'N.

LOCAL 1922 - 1/2062

PENSION FUND

1007 N. America Way, Suite 407, Miami, FL 33132



Important Notice from the ILA Local 1922 Welfare Fund About Your Prescription Drug Coverage and Medicare

Dear Participant,

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the ILA Local 1922 Welfare Fund and about your options under Medicare's prescription drug coverage once you become eligible for Medicare. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The ILA Local 1922 Welfare Fund has determined that the prescription drug coverage offered by the Humana medical plans under the Fund are, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered "Creditable Coverage." The importance of your ILA coverage being Creditable Coverage is that if you later decide to join a Medicare drug plan and keep your ILA coverage for now, because your existing coverage is Creditable Coverage, you will not pay a higher Medicare prescription drug premium (a penalty) that they would normally charge if you joined the Medicare drug program later than when you were first eligible.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current ILA Local 1922 Welfare Fund coverage will not be affected. A description of the prescription drug coverage offered by the Fund can be found in the Fund's summary plan description.

If you do decide to join a Medicare drug plan and drop your current ILA Local 1922 Welfare Fund coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the ILA Local 1922 Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information at (305) 371-4973. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the ILA Local 1922 Welfare Fund changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	8/26/2011
Name of Entity/Sender:	ILA Local 1922 Welfare Fund
Contact--Position/Office:	Elpidio Ruiz/Fund Administrator
Address:	1007 North America Way, Suite 405 Miami, Florida 33132
Phone Number:	(305) 371-4973

**Notice of Critical Status
For the ILA Local Union No. 1922 Pension Fund**

This is to inform you that on July 28, 2011 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 May 1, 2011. 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 plan is critical based on the following criteria:

- 1) The plan has an accumulated funding deficiency for the current plan year.
- 2) Over the next three plan years, the plan is projected to have an accumulated funding deficiency for the 2012, 2013 and 2014 plan years.
- 3) 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 2012, 2013, 2014 and 2015 plan years.
- 4) The plan was in critical status last year and over the next 9 years the plan is projected to have an accumulated funding deficiency for the 2012 through 2020 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 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 August 28, 2008. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of August 28, 2008, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

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:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- 120-month payment guarantees.

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 Board of Trustees of the ILA Local Union No. 1922 Pension Fund at 305-371-4973 or 1007 North America Way, Suite 405, Miami, Florida 33132. You have a right to receive a copy of the rehabilitation plan.

Notificación de Estado Crítico Para el Fondo de Pensión ILA Local Union 1922

Por este medio le notificamos que el 28 de julio de 2011 el actuario del plan del Fondo de Pensión ILA Local Union 1922 (en adelante el "*Plan*" o "*Plan de Pensión*") le ha certificado al Departamento del Tesoro de los Estados Unidos, y también al auspiciador del plan, que el mismo se encuentra en estado crítico para el año plan comenzado el 1 de mayo de 2011 (en adelante el "*Año Plan*"). La ley Federal requiere que usted reciba esta notificación.

Estado Crítico

El *Plan* se considera que está en estado crítico porque tiene problemas de financiamiento o liquidez, o ambos. Específicamente, el actuario del plan ha determinado que el *Plan* está en estado crítico basado en los siguientes criterios:

- 1) El *Plan* tiene una deficiencia acumulada de financiamiento para el presente *Año Plan*.
- 2) Para los años del Plan 2012, 2013 y 2014, se proyecta que el Plan tendrá una deficiencia acumulada de financiamiento.
- 3) La suma del costo normal del *Plan* y los intereses sobre los beneficios no financiados para el presente *Año Plan* exceden el valor actual de todas las aportaciones esperadas del año; el valor presente de los beneficios adquiridos de participantes inactivos es mayor que el valor presente de los beneficios adquiridos de participantes activos; y se proyecta que el *Plan* tendrá una deficiencia acumulada de financiamiento para los próximos cuatro años plan 2012, 2013, 2014 y 2015.
- 4) El *Plan* estuvo en estado crítico el año pasado y se proyecta que tendrá una deficiencia acumulada de financiamiento para los próximos nueve años plan del 2012 al 2020.

Programa de Rehabilitación y Posibilidad de Reducción en los Beneficios

La ley Federal requiere que los planes de pensión en estado crítico adopten un programa de rehabilitación dirigido a restaurar el estado financiero de los mismos. La ley le permite a los planes de pensión reducir, e incluso eliminar, los beneficios llamados "beneficios ajustables" como parte de su programa de rehabilitación. Si los síndicos del *Plan* determinan que la reducción de los beneficios es necesaria, usted recibirá otra notificación en el futuro identificando y explicando el efecto de esas reducciones. Cualquier reducción en los beneficios ajustables no reducirá el nivel de beneficio básico del participante pagadero al momento de su retiro normal. Además, las reducciones podrían aplicar solamente a los participantes y beneficiarios cuya fecha de comienzo del beneficio es en o después del 28 de agosto de 2008. Pero es necesario que sepa que, ya sea que el *Plan* reduzca o no los beneficios ajustables en el futuro, efectivo al 28 de agosto de 2008 el *Plan* no tendrá permitido pagar beneficios de suma global (o cualquier otro pago en exceso de la cantidad mensual que se pagaría en forma de una anualidad vitalicia) mientras éste se encuentre en estado crítico.

Beneficios Ajustables

El *Plan* ofrece los siguientes beneficios ajustables, los cuales pueden ser reducidos o eliminados como parte de cualquier programa de rehabilitación que puede adoptar el *Plan de Pensión*:

- Beneficios de incapacidad (si no han comenzado aún);
- Beneficios por retiro temprano o subsidios por retiro;
- Cualquier opción de pago de beneficios que no sea una anualidad mancomunada cualificada (QJSA, por sus siglas en inglés);
- Pagos garantizados por 120 meses.

Recargo al Patrono

La ley requiere que todos los patronos que realizan aportaciones paguen al *Plan* un recargo para ayudar a corregir la situación financiera del mismo. La cantidad de este recargo es igual a un por ciento de la cantidad que, de otra manera, se le requiere al patrono aportar bajo el convenio colectivo negociado. Con algunas excepciones, un 5% de recargo es aplicable al inicio del año crítico y un 10% de recargo es aplicable por cada año plan subsiguiente en que el *Plan* se mantenga en estado crítico.

Dónde Obtener más información

Para más información relacionada a esta notificación, puede comunicarse con la Junta de Síndicos del Fondo de Pensión ILA Local Union 1922 al 305-371-4973 o por correo al 1007 North America Way, Suite 405, Miami Florida 33132. Usted tiene derecho a recibir una copia del programa de rehabilitación del *Plan*.