

**Notice of Critical Status for the 2011 Plan Year  
for  
United Independent Union - Newspaper Guild of Greater Philadelphia  
Pension Plan**

This is to inform you that on March 31, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees, the plan sponsor, that the United Independent Union-Newspaper Guild of Greater Philadelphia Pension Plan ("Plan") is in critical status for the plan year beginning January 1, 2011. Federal law requires that you receive this notice.

**Critical Status**

The Plan continues to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary has projected that a funding deficiency will occur on December 31, 2012. The Plan status is critical if a funding deficiency is projected within four years.

**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 Board of Trustees adopted a Rehabilitation Plan on November 26, 2010 to improve the Plan's funded status and delay the Plan's insolvency. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan, which is described in more detail below.

On December 28, 2010, the participants who are employees or former employees of Philadelphia Newspapers (including any predecessor and its successor) were notified that, effective March 1, 2011, certain adjustable benefits were reduced or eliminated for retirement dates effective on and after March 1, 2011. These included the elimination of the disability retirement benefit and the change in the early retirement subsidy from a 4% or 5% reduction per year that the early retirement date precedes the normal retirement date, as applicable based on the participant's termination date, to a 6% reduction per year early. In addition, the interest rate used for converting the supplemental (severance) benefit to a monthly annuity was amended March 1, 2011. The Plan was previously amended to freeze the pension benefit accrued as of December 31, 2009. In spite of these changes and reductions, the Newspaper Guild segregated portion of the Plan is expected to become insolvent in 2028.

On December 15, 2011, the active United Independent Union participants were notified that, effective for benefits earned on and after January 1, 2011, the benefit accrual rate was reduced from \$56 per month to \$28 per month for each dollar of hourly contribution made on their behalf by their participating employers.

You were notified last year in the 2010 Notice of Critical Status that, as of April 30, 2010, the Plan is not permitted to pay lump sum distributions in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while the Plan is in critical status.

If the Board of Trustees determines that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction may only apply to participants and beneficiaries whose date of retirement (the effective date of the commencement of benefit payments) is on or after the effective date of the reduction.

### **Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Board of Trustees may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Certain pre-retirement death benefits; and
- Recent benefit increases (i.e., occurring after January 1, 2006).

As part of the Rehabilitation Plan, as described above, for employees or former employees of Philadelphia Newspapers (including any predecessor and its successor), the disability benefit was eliminated and the early retirement subsidy was reduced, effective for retirement dates on and after March 1, 2011. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as provided above) will not reduce the level of a participant's basic benefit payable at his/her normal retirement date.

### **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 or other agreement pursuant to which the employer contributes. 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. The surcharge will cease to apply to any employer once its collective bargaining agreement, or other agreement pursuant to which the employer contributes, is amended to comply with the Rehabilitation Plan.

Please note that, under separate accounting of the assets and benefit liabilities for the United Independent Union participants and the Newspaper Guild of Greater Philadelphia Union Office participants, these segregated portions of the Plan are not in critical status as of January 1, 2011. Because their collective bargaining agreements, or other agreement pursuant to which the employer contributes, are in compliance with the requirements of the Rehabilitation Plan, surcharges do not apply to the employers of the United Independent Union or to the Newspaper Guild of Greater Philadelphia Union Office.

### **Where to Get More Information**

For more information about this notice or the Pension Plan, please contact:

#### **For United Independent Union Participants**

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#### **For Newspaper Guild Participants**

Cindy Swartz, Administrative Manager  
richard Gabriel associates  
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Telephone: 215-773-0900 or 1-800-610-8300  
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You have a right to receive a copy of the Rehabilitation Plan. You may request a copy by writing to the Plan Administrator at the applicable address above.

*April 29, 2011*