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Consulting Actuaries and Administrators

EBSA/PUBLIC DISCLOSURE

2012 OCT -3 AM 11:26

September 27, 2012

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Multiemployer Program Division
Pension Benefit Guaranty Corporation
1200 K Street N.W.
Suite 930
Washington, D.C. 20005

Re: Milk Industry Office Employees' Pension Plan Notice of Critical Status
Plan Year beginning 7/1/2012

To whom it may concern:

Pursuant to ERISA section 305, we enclose herewith the Notice of Critical Status which was timely sent to employers, participants, beneficiaries and all other required persons under the Pension Protection Act of 2006.

Sincerely,

Alan T. Nahoum

ATN:rbn

cc: Colleen Lanza
John Driscoll, Esq.

*Notice of Critical Status
For
Milk Industry Office Employees' Pension Plan*

This is to inform you that on September 27, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning July 1, 2012. 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 funded percentage of the plan is 65% or less, and the plan is projected to have an accumulated funding deficiency for the 2013 and 2014 plan years.

Rehabilitation Plan and Reduction in Future Benefits

In accordance with Federal law, this plan has adopted a rehabilitation plan aimed at restoring the financial health of the plan. After a review of the progress of the Rehabilitation Plan in place, the actuary has informed the Trustees that based on the current actuarial projections, the plan will not be able to exit from critical status during the rehabilitation period. The Trustees have therefore taken significant steps to forestall insolvency, including freezing benefits and increasing employer contributions. The trustees of the plan have determined an amendment to the plan is required to cease all future benefit accruals under the plan effective July 1, 2011. You will receive a separate notice identifying and explaining the effect of that amendment.

Rehabilitation Plan and Elimination of Adjustable Benefits

The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Rehabilitation Plan adopted in May, 2009 eliminated the adjustable benefits in the Plan. The elimination of the adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions only apply to participants and beneficiaries whose benefit commencement date is on or after October 27, 2009. On or after that date, 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.

The following adjustable Benefits have been eliminate:

- ✓ Post-retirement death benefits;
- ✓ Sixty-month payment guarantees;
- ✓ Disability benefits (if not yet in pay status)
- ✓ Early retirement benefit
- ✓ Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

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. Currently the 10% surcharge is in effect.

Where to Get More Information

For more information about this Notice, you may contact the Trustees of the Milk Industry Office Employees Pension Plan at 73 Hudson Street, New York, N.Y. 10013, telephone 212-528-1998. You have a right to receive a copy of the rehabilitation plan from the plan.