



CARLO SIMONE, SR.  
OFFICE MANAGER

# USW LOCAL 286 BENEFIT FUNDS

410-24 NORTH 8TH STREET  
PHILADELPHIA, PA 19123-3903  
215-829-9212 • FAX 215-829-9041

- PENSION FUND
- SEVERANCE / 401K FUND
- WELFARE FUND
- LEGAL FUND

**TRUSTEES**  
**PENSION & WELFARE FUNDS**  
 CARLO SIMONE III  
 BERNARD NEWMAN  
 ROBIN SCHAFFER  
 MARIO TATOM  
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 WILLIAM BREGMAN  
 JOSEPH FENKEL  
 EDINA DECARLO  
 KENNETH J. GORDON  
 JIMMIE T. NOLAN  
**SEVERANCE / 401K & LEGAL FUNDS**  
 CARLO SIMONE III  
 JOSEPH HORWITZ  
 MARIO TATOM  
 WILLIAM BREGMAN  
 KENNETH J. GORDON  
 JIMMIE T. NOLAN

April 25, 2012

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

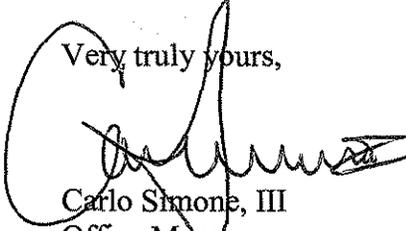
**RE: EID No. 23-0630051**

Gentlemen:

Enclosed find Notice of Critical Status for plan year 2011 for EID no. 23-630051, which is due April 27, 2012.

Trusting the enclosed is in order.

Very truly yours,



Carlo Simone, III  
Office Manager

CS/aj  
Encl.

EBSA/PUBLIC DISCLOSURE  
 2012 APR 30 PM 4: 03

**SERVICE PROVIDER:**  
 1101 Kings Highway, North  
 Suite 300  
 Cherry Hill, NJ 08034-1912  
 856-667-1818  
 215-545-2830



**NOTICE OF CRITICAL STATUS  
FOR  
USW DISTRICT 10, LOCAL 286 PENSION PLAN**

This is to inform you that on March 30, 2012 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 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:

- 1) The plan is projected to have a funding deficiency within 4 years of January 1, 2012.
- 2) The plan's liability for inactive participants is greater than that for active participants; plan contributions during the 2012 plan year are less than the plan's normal cost plus interest on its unfunded liability for the 2012 year; and the plan is projected to have a funding deficiency within 5 years of January 1, 2012.
- 3) The plan was in critical status for the 2011 plan year and the plan is projected to have a funding deficiency within 10 years of January 1, 2012.

**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 (other than a repeal of a recent benefit increase, as described below) 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 May 30, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 30, 2010, 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.

**Rehabilitation Plan**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fourth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 30, 2010, you were notified that as of

April 30, 2010 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. If the trustees of the plan determine 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 of adjustable benefits (other than a repeal of a recent benefit increase, as described below) 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 May 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 supplemental lump sum death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement type subsidy;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Recent benefit increases (i.e. occurring in past 5 years);

### **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: Carlo Simone Jr., Office Manager, USW, District 10, Local 286 Benefit Funds, 410 – 24 North 8<sup>th</sup> Street, Philadelphia, PA 19123 – 3903, (215) 829-9212. You have a right to receive a copy of the rehabilitation plan from the Plan.