



Freight Drivers Local Union No. 557 Pension Fund
9411 PHILADELPHIA ROAD, SUITE S • BALTIMORE, MARYLAND 21237
TELEPHONE: (443) 573 3636 (888) 832 8508 FAX: (410) 444 0035

April 24, 2014

US Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, NW
Washington, DC 20210
SENT VIA CERTIFIED MAIL

2014 APR 29 PM 4:00
EBSA/PUBLIC ROOM

**Notice of Critical Status For
Freight Drivers and Helpers Local Union No. 557 Pension Fund EIN 52-6118055**

This is to inform you that on March 31, 2014 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, 2014. 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 was classified as Critical (Red Zone) because there is a projected deficiency in the Funding Standard Account within four years, there is a projected deficiency in the Funding Standard Account within five years, the present value of vested benefits for non-actives is greater than the present value of vested benefits for actives, the normal cost plus interest on unfunded actuarial accrued liability is greater than contributions for the current year, the funded percentage is less than 65%, there is a projected deficiency in the Funding Standard Account within ten years, and the Plan was in critical status in 2013.

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 sixth (6th) 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 August 4, 2009, you were notified that the plan reduced or eliminated certain adjustable benefits. On April 30, 2009, you were notified that as of April 30, 2009 the plan is not permitted to pay annuity payments 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 April 30, 2009.

Adjustable Benefits

The plan still offers the following adjustable benefits to participants with an application for retirement benefits received by the Fund Office by September 4, 2009:

- Post-retirement lump sum death benefits.

Employer Surcharge

The law requires that certain 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 Benefits Administration Corporation, Inc., 9411 Philadelphia Road, Suite S, Baltimore, Maryland 21237, 443-573-3636 or toll free 888-832-8508. You have a right to receive a copy of the rehabilitation plan from the plan.