

Notice of Critical Status For

LOCAL 18 INTERNATIONAL UNION OF POLICE & PROTECTION EMPLOYEES - I.S.O.P.G.U. PENSION PLAN Plan No. 004 EIN 13-6266867

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's actuary determined that the Plan has an accumulated funding deficiency for the current Plan Year.

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 seventh 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, 2008, you were notified that as of March 31, 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. 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 (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, 2008.

In early 2014, the bargaining parties are negotiating a new collective bargaining agreement. Although all provisions of this new contract have not been finalized, the parties have agreed to further increases in contributions to be made to the plan by its one remaining contributing employer. Although the plan is still not projected to emerge from critical status by the end of the Rehabilitation Period (2023), as a result of the increase in contributions, it is no longer projected to become insolvent. Plan assets are projected to become equal to plan liabilities in 2032.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any changes to the rehabilitation plan the pension plan may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Pre-retirement death benefits.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees by calling, (201) 243-0660 or writing to 889 Broadway, Bayonne, NJ 07002. You have a right to receive a copy of the rehabilitation plan from the Plan.

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