

## **NOTICE OF CRITICAL STATUS**

### **OREGON PROCESSORS SEASONAL EMPLOYEES PENSION PLAN**

This is to inform you that on March 21, 2014 the Plan actuary certified to the U.S. Department of the Treasury, and also to the OPSEPT Board of Trustees, 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 not passed the "Emergence Test", meaning that the Plan was in critical status last year and that over the next 9 years, the Plan is projected to have an accumulated funding deficiency in each of those plan 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. This is the fifth 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 December 2, 2010, you were notified that the Board of Trustees had decided to reduce or eliminate adjustable benefits.

If the Board of Trustees of the Plan 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 of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reduction of adjustable benefits may apply only to participants and beneficiaries whose benefit commencement date is on or after January 1, 2011. You can get more information about the changes to adjustable benefits by requesting a copy of the Rehabilitation Plan.

A summary of the Rehabilitation Plan can be found in the Annual Funding Notice.

#### **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. For employers that have not adopted the Rehabilitation Plan, the 10% surcharge continues as long as the Plan is in critical status and until such time as the bargaining parties adopt the Rehabilitation Plan. Employers that have adopted the Rehabilitation Plan do not pay a surcharge. Instead, they pay the supplemental contributions as required by the Rehabilitation Plan schedule that was adopted.

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

For more information about this Notice, you may contact

Oregon Processors Seasonal Employees Pension Plan  
c/o The William C. Earhart Company, Inc.  
P.O. Box 4148  
Portland, OR 97208  
(503) 460-5232  
1 (877) 396-1032

You have a right to receive a copy of the Rehabilitation Plan from the Plan by submitting a request to the above address.