



Notice of Critical Status
American Federation of Musicians and Employers' Pension Fund
For Plan Year Beginning April 1, 2015 and Ending March 31, 2016

The purpose of this notice is to inform you that, on June 29, 2015, the actuary for the American Federation of Musicians and Employers' Pension Fund (the "Plan") certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees ("Board"), that the Plan is in critical status for the Plan year beginning April 1, 2015. 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 has determined that the Plan is in critical status because (i) the Plan was in critical status last year and, over the next nine years, it is projected to have an accumulated funding deficiency for the Plan year ending March 31, 2019 and (ii) the sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan year exceeds the present value of all expected contributions for the year, the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants and over the next four plan years, the Plan is projected to have an accumulated funding deficiency in the Plan year noted above.

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 the Board had adopted a rehabilitation plan (the "Rehabilitation Plan") that reduced or eliminated adjustable benefits. As of June 1, 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 Board determines that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Under current law, any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement, and the reductions apply only to participants and beneficiaries whose benefit commencement date is on or after June 1, 2010.

The Board has **not** made additional reductions in benefit levels since the adoption of the Rehabilitation Plan.

Adjustable Benefits

The Plan previously offered the following adjustable benefits that could be reduced or eliminated as part of any rehabilitation plan adopted by the Board:

- Post-retirement death benefits/guarantees
- Early retirement benefit or retirement-type subsidy
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)
- Post-normal retirement age subsidy

As noted above, the Rehabilitation Plan eliminated adjustable benefits as described in the notice entitled Important Notice of Benefit Changes, which was sent to you April 30, 2010 and is available on the website at www.afm-epf.org on the Rehabilitation Plan page listed as Important Notice of Changes or by written request to the Fund Office.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation until the bargaining parties amend their collective bargaining agreement to include terms consistent with the schedules set forth in the Rehabilitation Plan. 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 was applicable in the initial critical year (Plan year ended March 31, 2011) and a 10% surcharge was applicable for the Plan year beginning April 1, 2011 and remains applicable for each succeeding Plan year thereafter in which the Plan is in critical status. Further information regarding the employer surcharge can be found in the Rehabilitation Plan and the Rehabilitation Plan Questions and Answers (dated April 30, 2010). These documents are available at www.afm-epf.org or by written request to the Fund Office.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office at 1-800-833-8065 (extension 1311) or email us through the "Contact Us" link on the Fund's web site (www.afm-epf.org). You have a right to receive a copy of the Rehabilitation Plan which is available on the web site at www.afm-epf.org on the Rehabilitation Plan page listed as Rehabilitation Plan or by written request to the Fund Office.