

*International Longshoremen's Ass'n. (AFL-CIO) - Employers
Benefit Funds, Southeast Florida Ports*

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January 25, 2019

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**Critical Status Notice for the ILA AFL-CIO Employers Pension Fund,
Southeast Florida Ports**

To Pension Fund Participants and Bargaining Parties:

Federal law requires that pension plans like the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports ("the Plan") be reviewed annually by an actuary who provides an opinion regarding the funded status of the plan. The Plan must annually update participants on the actuary's finding regarding the Plan's funded status. Enclosed is the annual update for the plan year that began October 1, 2018.

The Plan's actuary has determined that the Plan is in critical status and is projected to need additional employer contributions in order to maintain adequate funding levels. In an effort to improve the Plan's funded status, the participating employers and union have adopted a rehabilitation plan consisting of revised employer contributions, which may reasonably be expected to enable the Plan to emerge from critical status.

Enclosed is the Critical Status Notice for the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports which is required by law to be distributed to all participants, participating employers and the union.

Este documento contiene en Inglés una notificación con referencia a los problemas de recursos en el plan de retiro. Si usted tiene alguna dificultad para comprender cualquier parte de esta notificación, favor de contactar a la Oficina de Fondos para asistirle, llamando al (305) 377-3777 o visite nuestra oficina en 33 NE 6th Street, Miami, Florida 33132. El horario de oficina es de Lunes a Viernes, de 9 A.M. a 5 P.M.

Sincerely,

Edwin Stewart, Fund Manager

Notice of Critical Status for the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports

This is to inform you that on December 28, 2018 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 October 1, 2018. 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 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 reductions of adjustable benefits 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 January 22, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of January 22, 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.

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:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- 60-month payment guarantees.

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 the Board of Trustees of the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports at (305) 377-3777 or 33 NE 6th Street, Miami, Florida 33132. You have a right to receive a copy of the rehabilitation plan from the plan.