

# Office and Professional Employees International Union, AFL-CIO, CLC



**Richard Lanigan**  
President

**Mary Mahoney**  
Secretary-Treasurer

## Notice of Critical Status For

### Office and Professional Employees International Union Pension Plan

This is to inform you that on March 30, 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 January 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 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 for the year beginning January 1, 2022.

#### 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. This is the first 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, and may include changes to the benefits you earn in the future. 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 after adoption of the rehabilitation plan. 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 the date of this notice, April 27, 2018. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 27, 2018, 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, such as the level income option, 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:

- Pre and Post-retirement death benefits;
- 120-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

President's Office, 20th Floor  
Tel: 212.675.3210  
Fax: 212.727.3466

80 Eighth Avenue  
New York, NY 10011  
E-Mail: [opeiu@opeiu.org](mailto:opeiu@opeiu.org)  
Website: [www.opeiu.org](http://www.opeiu.org)

Secretary-Treasurer's Office, Suite 610  
Tel: 212.367.0902  
Fax: 212.727.2087

## **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 Mary Mahoney, Office and Professional Employees International Union Pension Plan at 80 Eighth Avenue, Suite 610, New York, NY 10011 or by telephone at (212) 367-0902. You have a right to receive a copy of the rehabilitation plan from the plan.