

**Notice of Critical Status for  
U.F.C.W. Local 1500 Pension Plan  
EIN: 23-7176372 / PN: 001  
Plan Year Beginning January 1, 2019**

To: All Participant & Beneficiaries

The purpose of this notice is to inform you that, on March 29, 2019, the actuary of the U.F.C.W. Local 1500 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the plan is in “critical status” for the plan year beginning January 1, 2019. Federal law requires that you receive this notice.

**Critical Status**

The Plan is considered to be in critical status (often referred to as the “red zone”) for the plan year beginning January 1, 2019 because the Plan’s actuary determined that the Plan is expected to have an accumulated funding deficiency within the current or next three plan years. The Plan was previously considered to be in endangered status (often referred to as the “yellow zone”).

**Rehabilitation Plan and  
Possibility of Reduction in Benefits**

Because the Plan is in critical status, federal law requires the Board of Trustees to adopt a “rehabilitation plan” aimed at restoring the financial health of the plan.

The rehabilitation plan may include reductions in the rate of future benefit accruals. In addition, as described below, the law permits pension plans in critical status to reduce or eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. If the Board of Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

**Adjustable Benefits**

Adjustable benefits offered under the Plan that may be reduced or eliminated as part of any rehabilitation plan include early retirement benefits and subsidies, and disability benefits.

Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement. In addition, any reductions will not apply to participants and beneficiaries whose benefits have already commenced as of the date of this notice.

**Employer Surcharge**

Federal 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.

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. This surcharge will begin while the Board of Trustees is in process of adopting a rehabilitation plan. The surcharge will cease to apply only after the applicable collective bargaining agreement is amended to include contribution and benefit terms consistent with the adopted rehabilitation plan.

**Where to Get More Information**

For more information about this notice, you may contact the Board of Trustees at the address or phone number below. Once it is adopted by the Board of Trustees, you have a right to request and receive a copy of the rehabilitation plan.

Board of Trustees  
U.F.C.W. Local 1500 Pension Plan  
c/o Aria Employee Benefits Services, Inc.  
371 Merrick Road, Suite 403  
Rockville Centre, New York 11570  
Telephone No. (888) 267-6885