

**UNION
TRUSTEES**

Susan M. Cleary
Craig A. Ford
Grisel M. Anton
Joni Reese



**EMPLOYER
TRUSTEES**

Zachary Lipner
Richard Davis

**Notice of Critical Status For
DISTRICT 1199J NEW JERSEY HEALTH CARE EMPLOYERS PENSION PLAN**

This is to inform you that on **March 30, 2021** 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, 2021**. 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 was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency for the 2028, 2029, and 2030 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 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 December 27, 2018, you were notified that the plan reduced or eliminated adjustable benefits. On April 24, 2018, you were notified that as of April 25, 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) while it is in critical status. If the trustees of the plan determine 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 reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 24, 2018.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any changes to the rehabilitation plan the pension plan may adopt:

- Disability benefits (if not yet in pay status); and
- Benefit payment options other than a qualified joint and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers that do not have collective bargaining agreements incorporating a schedule from the rehabilitation plan to 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. The surcharge ends for an employer once its collective bargaining agreement incorporates one of the schedules of the rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact Ms. Pressy Lavrador by writing to The District 1199J New Jersey at 9-25 Alling Street, Newark, NJ 07102 or by telephone at (973) 242-7505. You have a right to receive a copy of the rehabilitation plan from the Plan.

9-25 Alling Street * Newark, New Jersey 07102
Tel: 973-242-7505 * 1-800-207-1199 * Fax: 973-242-1037
Barbara A. Small, Executive Director