

**September 28, 2023**

**Notice of Critical Status For The**

**Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund**

**For the Plan Year Beginning on June 1, 2023**

This is to inform you that on August 29, 2023 the Plan's Actuary 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 June 1, 2023. You are receiving this notice because federal law requires the Board of Trustees to send this notice to all Bargaining Parties, Contributing Employers, Participants, and Beneficiaries.

**Critical Status**

The Plan is considered to be in critical status because it was approved to receive Special Financial Assistance ("SFA") on May 31, 2022. Under the Internal Revenue Code Section 432(b)(7), a plan that received SFA shall be deemed to be in critical status for plan years beginning with the plan year in which the effective date for such assistance occurs and ending with the last plan year ending in 2051.

**Rehabilitation Plan**

Federal law requires pension plans in "Critical" status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The Plan initially entered "Critical" or "Critical and Declining" on June 1, 2022. The Board of Trustees previously adopted a rehabilitation plan as of October 14, 2022 ("Rehabilitation Plan"). The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. As of September 28, 2022, 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 (other than certain retroactive payments and certain *de minimis* amounts) while it is in "Critical" status. If the Board of Trustees of the Plan determines that 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 (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 only apply to participants and beneficiaries whose benefit commencement date is on or after the date that will be specified in the Rehabilitation Plan.

**Adjustable Benefits**

Adjustable benefits are benefits over and above the normal pension paid at normal retirement age. The plan offers the following list of adjustable benefits which may be eliminated as part of the rehabilitation plan adopted by the Board of Trustees. The adjustable benefits which may be eliminated are:

- X Post-retirement death benefits
- X Sixty-month payment guarantees
- X Disability benefits (if not yet in pay status)
- X Early retirement benefits or retirement-type subsidies such as the 240-credit or 300-credit unreduced early retirement
- X Benefit payment options (other than a joint and 50% survivor annuity) such as the unreduced qualified joint and survivor annuity and the "pop-up" death benefit
- O Recent benefit increases (i.e., occurring in past 5 years) - NONE

## **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 or other agreements pursuant to which the employer contributes. Each contributing employer to this Plan is required to make contributions as specified in its applicable collective bargaining agreement.

## **Where to Get More Information**

For more information about this notice, you may contact Mr. Giancarlo Prezioso, Fund Manager, Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund, by telephone at (732) 297-3900, by facsimile at (732) 821-3167 or by mail at 2003 Rt. 130, Suite A, North Brunswick, NJ 08902. You have a right to receive a copy of the Rehabilitation Plan.

**Date: September 28, 2023**

**Board of Trustees**