

Notice of Critical Status for the

New Bedford Longshoremen's Pension Plan

This is to inform you that on December 30, 2024 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, 2024. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan is projected to have an accumulated funding deficiency for each of the next three plan years and is projected to become insolvent in the 2032-2033 plan year.

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 3rd 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 January 31, 2023, you were notified that 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. The trustees have adopted a rehabilitation plan as of October 1, 2024 that consists of increases to the negotiated hourly contribution rate and no reductions in current plan benefits. 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 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 January 31, 2023.

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:

- ☐ Post-retirement \$1,000 or \$2,000 lump sum death benefits for certain participants;
- ☐ \$1,000 lump sum retirement bonus for certain participants;
- ☐ Disability benefits (if not yet in pay status);
- ☐ Benefit payment options other than a qualified joint-and survivor annuity (QJSA)

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 Teresa Duarte at 10 Park Place, New Bedford, MA 02740 or by telephone at (774) 206-1138. You have a right to receive a copy of the rehabilitation plan from the plan.