Notice of Critical Status
for the
Southwest Marine Pension Plan

April 15, 2026

This is to inform you that on March 30, 2026 the Plan 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 January 1, 2026. 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 Plan has not passed the "Emergence Test", meaning that the Plan was in critical status last year and is projected to have an accumulated funding deficiency in the current plan year or at any time within the next 9 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 fifteenth 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 October 31, 2012, you were notified that the Plan reduced or eliminated certain adjustable benefits. On April 26, 2012, you were notified that as of May 1, 2012, 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 Board of Trustees of the Plan determines 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 May 1, 2012.

A summary of the Rehabilitation Plan can be found in the Annual Funding Notice.

Adjustable Benefits

The Plan offers the following adjustable benefits, which may be reduced or eliminated as part of the Rehabilitation Plan:

- Early retirement benefits or early retirement type subsidies for Active Participants and Terminated Participants who retire on or after May 1, 2012;
- Disability benefits for Active Participants covered under the Reasonable Measures Schedule who become disabled after April 26, 2012;

Where to Get More Information

For more information about this Notice, you may contact:

Steve Arkwright
Benefit Programs Administration
1200 Wilshire Blvd., Fifth Floor
Los Angeles, CA 90017-1906
(562) 463-5000

You have a right to receive a copy of the Rehabilitation Plan from the Plan.