



UNION DE TRONQUISTAS DE PUERTO RICO LOCAL 901

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**NOTICE OF CRITICAL STATUS
FOR UNIÓN DE TRONQUISTAS DE PUERTO RICO, LOCAL 901 PENSION FUND**

This is to inform you that on March 31, 2026, the actuary for the Unión de Tronquistas de Puerto Rico, Local 901 Pension Fund certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status (the “red zone”) for the plan year beginning January 1, 2026. Federal law requires that you receive this notice.

Critical Status

The Fund is deemed to be in critical status through December 31, 2051 due to it receiving Special Financial Assistance (SFA) through the PBGC.

Special Financial Assistance

The American Rescue Plan Act of 2021 included financial relief for troubled multiemployer defined benefit pension plans in the form of Special Financial Assistance (“SFA”). SFA is a grant from the Federal Government to help plans remain solvent for an extended period of time. The Board of Trustees filed a SFA application on behalf of the Plan. The Plan’s SFA application was approved by the PBGC on July 18, 2025, and the Plan received \$34,570,148 in SFA on August 18, 2025. As an SFA-recipient plan, the Plan is required to be administered in accordance with the restrictions and conditions specified for SFA-recipient plans through the end of the SFA coverage period. The impact of SFA on the Plan’s funding is generally described in the Annual Funding Notice.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan or postponing insolvency. The Rehabilitation Plan adopted by the Trustees on November 11, 2008 requires employer contribution increases and reductions in certain benefits, called “adjustable benefits.” The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan.

In April, 2008, you were notified that the Plan may eliminate early retirement subsidies, disability benefits, and the 40-month payment guarantee, and 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 benefit/contribution schedules under the Rehabilitation Plan were provided by the Board of Trustees to the bargaining parties for consideration in negotiations when the collective bargaining agreements expire, or if they had already expired. The default schedule will reduce or eliminate the adjustable benefits and significantly increase the employer contributions. The bargaining parties may

also agree on an alternative schedule that significantly increases employer contributions but does not reduce benefits.

If the bargaining parties cannot agree on one of the two schedules, the law requires Trustees to impose the default schedule for any bargaining unit in this situation. The default schedule and benefit reductions also apply to participants in a bargaining unit covered by a collective bargaining agreement that expired before December 1, 2008 whose employer continues to contribute to the Plan.

Under the Rehabilitation Plan, if you are working for an employer who is contributing to the Plan under the default schedule, your adjustable benefits will be reduced. You will receive a separate notice identifying and explaining the effect of those reductions at least 30 days in advance of the effective date of any such reduction. The adjustable benefits that will be reduced or eliminated under the default schedule for those participants and beneficiaries who first start to receive pension benefits on or after April 25, 2008 include disability benefits not yet in pay status, the early retirement subsidy, and the 40-month payment guarantee.

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. 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, until the employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact Johanny Mejias, Interim Administrator, at (787) 725-7629, or in writing at Unión de Tronquistas de Puerto Rico, Local 901 Pension Fund, 352 Calle del Parque, San Juan, Puerto Rico 00912. The Plan will send you a copy of the Rehabilitation Plan itself upon written request.