

**NOTICE OF CRITICAL AND DECLINING STATUS FOR THE 2015 PLAN YEAR  
for  
Bindery Industry Employers GCC/IBT Pension Plan**

This is to inform you that on March 31, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees (the "Trustees"), who is the Plan Sponsor, that the Bindery Industry Employers GCC/IBT Pension Plan (the "Plan") is in critical and declining status for the plan year beginning January 1, 2015. Federal law requires that you receive this Notice of Critical and Declining Status for the 2015 plan year.

**Critical and Declining Status**

A plan continues to be in critical or in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan is considered to be in critical and declining status for the 2015 plan year because the Plan's actuary has determined that the Plan is 38.5% funded as of January 1, 2015, an accumulated funding deficiency occurred as of December 31, 2013, and the Plan is projected to be insolvent in the 2021 plan year.

**Rehabilitation Plan**

Federal law requires pension plans certified to be in critical or critical and declining status to adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. This is the sixth consecutive year the Plan has been certified to be in critical status and the first year that it has also been certified to be in critical and declining status. The Trustees adopted a Rehabilitation Plan on November 26, 2010, which provided for employer contribution increases that were projected to prevent the Plan from becoming insolvent. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. Certain adjustable benefits were reduced or eliminated under the Plan effective January 1, 2011, which are described below. Effective April 30, 2010, due to the Plan's critical status, the Plan has not been permitted to pay lump sum distributions in excess of \$2,500 (or any other payment in excess of the monthly amount paid under a single life annuity).

The Trustees are required to review the Rehabilitation Plan annually and modify it, if necessary, on the basis of the Plan's experience and any changed circumstances. The Rehabilitation Plan that was updated in December 2012 provides for employer contributions that may only delay the Plan from becoming insolvent. If the Trustees 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 his/her normal retirement date. In addition, any reduction may only apply to participants and beneficiaries whose date of retirement (the effective date of the commencement of benefit payments) is on or after April 30, 2010, which was the notice date for the initial critical year.

**Adjustable Benefits**

The Plan has the following adjustable benefits which have either been reduced or eliminated as described below and in previous notices, or which may be reduced or eliminated, as part of its Rehabilitation Plan (including amendments or modifications to the Rehabilitation Plan and Schedules):

- Disability benefits (if not yet in pay status);\*
- Early retirement benefit or retirement-type subsidy;
- 60 guaranteed monthly payments on the normal form of benefit;\* and
- Certain pre-retirement death benefits.

\* As part of the Rehabilitation Plan adopted by the Board of Trustees on November 26, 2010, for retirement dates effective on or after January 1, 2011, the disability benefit was eliminated and the normal form of benefit was reduced from a five year certain and life annuity (with 60 monthly payments guaranteed) to a life annuity.

### **Employer Surcharge**

The law requires that all contributing employers pay a surcharge to the Plan to help correct the Plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution rates required by the Rehabilitation Plan. 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 was 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 or to request a copy of the Rehabilitation Plan, you may contact the Plan administrator, Cindy Swartz, richard Gabriel associates, 601 Dresher Road, Suite 201, Horsham, PA 19044 or call (215) 773-0900 or 1-800-610-8300.

*April 27, 2015*