

September 28, 2017

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**Notice of Critical and Declining Status For The
Mid-Jersey Trucking Industry and Teamsters Local 701 Pension Fund
For the Plan Year Beginning on June 1, 2017**

This is to inform you that on August 29, 2017 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 and Declining" status for the Plan Year beginning June 1, 2017. 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 has funding problems, liquidity problems, or both. More specifically, the Plan's Actuary has determined that the Plan is projected to have an accumulated minimum funding deficiency within the next five years. Also, under the Multiemployer Pension Reform Act of 2014, the Plan is considered to be in "Critical and Declining" status for the 2017 plan year.

Rehabilitation Plan

Federal law requires pension plans in "Critical and Declining" status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The Plan initially entered "Endangered" status last year. This is the first year of "Critical" or "Critical and Declining" status. The Board of Trustees previously adopted a funding improvement plan effective April 26, 2017. With this change in status, the Board of Trustees must adopt a rehabilitation plan as of April 25, 2018 ("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, 2017, 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, which take into account contribution increases required under the rehabilitation plan.

Where to Get More Information

For more information about this notice, you may contact Mr. Giancarlo Prezioso, Fund Manager, Mid-Jersey Trucking Industry and Teamsters Local 701 Pension 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, 2017

Board of Trustees