

Notice of Critical and Declining Status for the Pension Trust Fund Agreement of St. Louis Motion Picture Machine Operators

This is to inform you that on November 15, 2018 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the St. Louis Motion Picture Machine Operators Pension Plan ("Pension Plan") is in Critical and Declining Status for the Plan Year beginning September 1, 2018. Federal law requires that you receive this notice. This Notice is being sent to all Participants, Beneficiaries and Alternative Payees of the Pension Plan, all Contributing Employers, IATSE Local 143 Audio Visual Technicians, the Pension Benefit Guaranty Corporation, and the United States Department of Labor.

Critical and Declining Status

The Pension Plan is considered to be in Critical and Declining Status because it has funding or liquidity problems, or both. More specifically, the Pension Plan's actuary determined that the Pension Plan (1) has a funded percentage that is less than 65%; (2) has an accumulated funding deficiency in the current Plan Year; and (3) is projected to become insolvent in the Plan Year ending August 31, 2030.

Rehabilitation Plan and Reduction in Benefits

Federal law requires pension plans in Critical and Declining Status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan.

The Pension Plan was in critical status for nine years and has been in critical and declining status since September 1, 2015. The Trustees adopted a rehabilitation plan in 2009 ("2009 Rehabilitation Plan") and an updated rehabilitation plan in 2016 ("2016 Rehabilitation Plan") under which employer contribution rates were increased and certain benefits were reduced. In addition, since October 30, 2009, by law the Pension Plan has not been permitted to pay lump sum benefits (or any other payment) in excess of the monthly amount paid under a single life annuity while the Pension Plan is in Critical and Declining Status.

Based upon the recommendation of the Plan Actuary, the Trustees have determined that it is not necessary to revise the 2016 Rehabilitation Plan adopted by the Trustees; however, if, in the future, the Trustees of the Pension Plan determine that further benefit reductions or contribution increases are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Employer Surcharge

The law requires that all Contributing Employers pay to the Pension Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount a Contributing Employer is otherwise required to contribute to the Pension Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year. A 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Pension Plan is in Critical and Declining Status. This surcharge does not apply to Contributing Employers who have adopted a collective bargaining agreement that is consistent with the 2016 Rehabilitation Plan.

Multiemployer Pension Reform Act of 2014 (MPRA) and the Plan

The Multiemployer Pension Reform Act of 2014 (MPRA) contains certain tools that plan sponsors of multiemployer pension plans may utilize to attempt to improve the funding and liquidity problems facing their plans. These tools include mergers, partitions and benefit suspensions. If the Trustees of the Pension Plan determine that it is in the best interest of the Pension Plan and its Participants and Beneficiaries to utilize one of the statutory tools available pursuant to MPRA, you will receive a separate notice in the future identifying and explaining the effect of these provisions.

Where to Get More Information

For more information about this Notice, you may contact Gordon Hayman at IATSE Local 143 Audio Visual Technicians, 1611 S. Broadway, St. Louis, MO 63104, 1-314-621-1430. You have a right to receive a copy of the 2016 Rehabilitation Plan from the Pension Plan.

Please keep this notice with your copy of the Summary Plan Description.

cc United States Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave., NW
Washington, D.C. 20210

Pension Benefit Guaranty Corporation
Multiemployer Program Division
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