



GCIU - Employer Retirement Fund

Newspaper, Commercial Printing, and Printing Specialties & Paper Products Industries

2323 Eastlake Ave E Seattle WA 98102 • (800) 322-1489 • Formerly IP&GCU-Employer Retirement Fund

April 2019

**TO: ALL PARTICIPANTS, BENEFICIARIES, LOCAL UNIONS,
CONTRIBUTING EMPLOYERS, PENSION BENEFIT GUARANTY
CORPORATION AND SECRETARY OF LABOR**

**Notice of Critical and Declining Status for 2019
GCIU-Employer Retirement Plan
(EIN 91-6024903 Plan #001)**

The Pension Protection Act of 2006 ("PPA") amended ERISA and the Internal Revenue Code too, among other things, impose additional funding rules for multiemployer plans with the goal of improving the financial condition of these plans. Beginning in 2008, the Retirement Plan's actuary was required to annually certify to the Secretary of the Treasury and the Retirement Plan's Board of Trustees whether or not the Retirement Plan is in Endangered or Critical Status. The Multiemployer Pension Reform Act of 2014 (MPRA) added a new status category called "critical and declining". As you are already aware, for the 2009 through 2014 Plan Years, the actuary certified that the Retirement Plan was in Critical Status. Since 2015 the actuary has certified that the Retirement Plan was in critical and declining status.

Critical and Declining Status-2019 Plan Year

The purpose of this notice is to inform you that on March 29, 2019 the actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the Retirement Plan remains in Critical and Declining Status for the 2019 Plan Year. Federal Law requires that you receive this additional notice. The Retirement Plan is considered to be in critical and declining status because it meets the criteria for critical status and is projected to become insolvent (run out of money to pay benefits) within 20 years. As of January 1, 2019, the Plan is projected to be insolvent in 2029. This is when the Retirement Plan is currently projected to no longer have sufficient assets to pay retiree benefits and would apply for financial assistance from the PBGC at that time.

Rehabilitation Plan

As you are also aware, federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. A rehabilitation plan was implemented by the Trustees effective November 1, 2009 and was amended in May 2012 by the Trustees to reduce the additional contribution schedule to 25% for 2013 going forward.

For this Fund, the rehabilitation plan consists of a single schedule that sets forth the benefit and contribution requirements under the Retirement Plan. The schedule required reductions in adjustable benefits. These reductions included changes in early retirement benefits, disability benefits, and retirement payment options. The schedule also requires additional employer contributions.

Due to the unique convergence of circumstances, the Trustees determined that they were unable to adopt a rehabilitation plan that will enable the Retirement Plan to emerge from critical status and avoid insolvency using reasonable assumptions. Therefore, the Trustees adopted a rehabilitation plan that reflects reasonable measures to forestall insolvency. In

creating such a rehabilitation plan under these circumstances, the Trustees employed all reasonable measures to forestall insolvency that were available.

Rehabilitation plans must be reviewed each year, and revised if necessary. The Trustees will be reviewing the rehabilitation plan again at their May 2019 meeting.

Adjustable Benefits

The Retirement Plan offers the following adjustable benefits which may still be reduced or eliminated as part of any revised rehabilitation plan. Although these benefits were not eliminated, much of the additional value of these benefits was reduced under the rehabilitation plan adopted in 2009:

1. Disability benefits (if not yet in pay status);
2. Early retirement benefits;
3. Benefit payment options other than a qualified joint and survivor annuity (QJSA);
4. Other similar benefits, rights, or features under the plan including the pre-retirement death benefit.

Further, under certain circumstances, the plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries. However, the Plan is not expected to be able to do this under the MPRA law.

You will receive a separate notice if the Trustees decide to adjust benefits again, if any, as part of a revised rehabilitation plan.

Employer Surcharge and Additional Contributions

Prior to the adoption of the rehabilitation plan by the employer and union, the law requires that all contributing employers pay to the Retirement Plan a surcharge to help correct the Retirement 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 Retirement Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge was applicable in the initial critical year (2009) and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Retirement Plan is in critical or critical and declining status.

The surcharge contribution ends for an employer once the collective bargaining parties adopt the rehabilitation plan for that employer, or when the rehabilitation plan is automatically adopted as provided under the Pension Protection Act. At that time, the employer's contribution increases are defined by the rehabilitation plan schedule. All employers have now adopted the Rehabilitation Plan, so the surcharge(s) no longer applies.

Where to Get More Information

For more information about this Notice, you may contact the Retirement Plan's Administrative Office at Northwest Administrators, 2323 Eastlake Ave. E, Seattle, WA 98102-3305. You have a right to receive a copy of the rehabilitation plan from the Plan.