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## **Notice of Critical and Declining Status for the Bindery Industry Employers GCC/IBT Pension Plan**

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This Notice is to inform you that on April 1, 2024 the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, the Board of Trustees of the Bindery Industry Employers GCC/IBT Pension Plan (“Plan”), that the Plan is in critical and declining status for the plan year beginning January 1, 2024 and ending December 31, 2024. Federal law requires that you receive this Notice.

### **Critical and Declining Status**

Critical and declining status is a category of pension plan funding status created by the Multiemployer Pension Reform Act of 2014. A plan is considered to be in critical and declining status because it has funding or liquidity problems and is projected to become insolvent. As of April 2020, the Plan became insolvent (ran out of money to pay benefits).

### **Rehabilitation Plan**

Federal law requires pension plans in critical or critical and declining status to adopt a “rehabilitation plan” aimed at restoring the financial health of the plan. The Board of Trustees adopted a Rehabilitation Plan in November 2010, which included 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 Rehabilitation Plan was further amended in 2012, 2014, and 2017 with the goal of delaying insolvency.

Effective April 2020, the Plan did not have enough money to pay the monthly pension benefits and began receiving financial assistance from the Pension Benefit Guaranty Corporation (“PBGC”). Pension benefits have been reduced, as needed, to the levels guaranteed by PBGC. You can find more information about PBGC Multiemployer Benefit Guarantees on PBGC’s website:  
<https://www.pbgc.gov/prac/multiemployer/multiemployer-benefit-guarantees>.

In order to restore the pension benefits, the Plan is applying for Special Financial Assistance under the American Rescue Plan Act of 2021. If approved, the Plan will receive financial assistance that is projected to be sufficient to pay all retirement benefits in full for approximately the next 30 years.

If the Board of Trustees determines that future 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 normal retirement while the Plan is solvent. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010.

### **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;

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- 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 single life annuity.

### **Employer Surcharge**

The law requires that all contributing employers pay a temporary surcharge to the Plan 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. With some exceptions, 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. This surcharge currently does not apply as the employer's collective bargaining agreement is in compliance with the Rehabilitation Plan.

### **Where to Get More Information**

For more information about this Notice, you may contact the Fund's Contract Administrator, RAE Consulting, 601 Dresher Road, Suite 201, Horsham, PA 19044, Telephone: 215-773-0900. For identification purposes, the official plan number for this Plan is 001 and the employer identification number or "EIN" is 23-6209755. You have a right to receive a copy of the Rehabilitation Plan. You may write to the Fund's Contract Administrator at the above address to request a copy of the Rehabilitation Plan.

*Dated: April 2024*

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