



NYSA-PPGU PENSION FUND AND PLAN

889 BROADWAY, BAYONNE, NJ 07002-3032

TEL: (201) 243-0660

FAX: (201) 243-0662

April 21, 2008

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: Notice of Endangered Status

To Whom It May Concern:

Enclosed herewith is a copy of the Notice of Endangered Status for the NYSA-PPGU Pension Fund and Plan which will be mailed to all Participants, Beneficiaries, Contributing Employers and Port Police & Guards Union, Local 1456 on or before April 25, 2008.

Please indicate receipt of the Notice by signing and returning a copy of this letter in the return envelope which has been provided for your convenience.

Very truly yours,

Mary C. Cznadel

Secretary

NYSA-PPGU Pension Fund and Plan

Enclosure

91148-61840-00-11835



NYSA-PPGU PENSION FUND AND PLAN

889 BROADWAY, BAYONNE, NJ 07002-3032

TEL: (201) 243-0660

FAX: (201) 243-0662

April 23, 2008

Notice of Endangered Status For NYSA-PPGU Pension Fund and Plan

To: All Participants, Beneficiaries, Contributing Employers and Port Police & Guards Union,
Local 1456

This Notice is required to be sent to you as a result of a recently enacted Federal law known as the Pension Protection Act of 2006 (PPA) which became effective as to this Fund during the latter part of 2007.

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their eligible beneficiaries with secure retirement benefits. *Indeed, the parties to the Collective Bargaining Agreement (CBA) and the Board of Trustees are committed to seeking to make your Fund 100% funded in 12 years – that is by the year 2020.*

PPA Requirements

The PPA has added requirements for measuring the financial health of multiemployer plans such as ours. Starting with the 2008 plan year, the PPA requires that a pension fund's actuary determine annually the fund's status under these new rules and to certify that status to the IRS and the trustees (plan sponsor). It is important to note that if the fund's status for a plan year is "endangered" ("yellow" zone) or "critical" ("red" zone), the trustees *must* notify all plan participants in writing of this certification, as well as take corrective action to improve the financial health of the plan.

Endangered Status

This letter will serve as the Notice that our Pension Fund's actuary recently determined and certified that the Fund is in "endangered" status for the 2008 plan year. This

(Over Please)

determination was made because, based on the PPA's new funding measures, the Fund is currently less than 80% funded. *"Endangered" is a label that the law requires us to use. However, the Fund is meeting its funding goals and is expected to continue doing so into the future. In fact, it is anticipated that the Fund will be out of endangered status five (5) years from now – that is in the year 2013.*

The law also mandates that any pension fund in "endangered" ("yellow" zone) status must adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to significantly increase a plan's funding percentage and to provide that contributions will be greater than the minimum required under the law. A FIP must be developed within 240 days following the actuary's certification and a notice describing the FIP must be provided to the bargaining parties shortly after that.

Funding Improvement Plan

The CBA between New York Shipping Association, Inc. and Port Police & Guards Union, Local 1456, for the period from January 1, 2008 through December 30, 2010, provides sufficient annual contributions to the Pension Fund to fund the benefits that the Participants are earning to pay the Fund's operating costs. We expect that the Fund's funding percentage will continue to improve in line with the requirements of the law as noted above and to no longer be in endangered status by the year 2013.

The Board of Trustees does not expect that any other changes will be needed to meet the law's requirement for a FIP while the current CBA is in effect. Please note that the law mandates that our Plan's funding status be reviewed and certified annually and notices like this one be sent each year. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control which we will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers.

You may be assured that the current funded status of your Plan will not affect the retirement benefits that you are currently receiving or will receive in the future.

In the event you have questions or would like additional information, you may contact the Board of Trustees, in writing, or Mr. Paul Punturieri, Executive Director, at 201-243-0660, 889 Broadway, Bayonne, New Jersey 07002-3032.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
U.S. Pension Benefit Guaranty Corporation