

PORTS OF THE DELAWARE RIVER MARINE TRADE ASSOCIATION INTERNATIONAL LONGSHOREMEN'S ASSOCIATION BENEFIT FUNDS

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April 27, 2012

Notice of Endangered Status For

Philadelphia Marine Trade Association – International Longshoremen's Association Pension Plan

This is to inform you that on March 30, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in Endangered status for the plan year beginning January 1, 2012. Federal law requires that you receive this Notice.

Endangered Status

The Plan is considered to be in "Endangered Status" because Plan's actuary determined that the Plan is less than 80% funded. The Plan's Funded Percentage for certification purposes is 65.8%. The actuary's analysis shows that the Plan is not be in "Critical Status" for the Plan Year beginning January 1, 2012.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in Endangered status to adopt a Funding Improvement Plan aimed at restoring the financial health of the Plan. Due to the Plan's Endangered Status, the Trustees have adopted a Funding Improvement Plan in November of 2011. Since the end of 1996, the Pension Plan has not provided any additional benefit accruals. (That is, the benefit service credit under the Plan ceased on December 15, 1996.) The strategy adopted by the Trustees and the collective bargaining parties has been to increase the allocated contributions to the Pension Plan and to date has not contemplated that any further benefit cuts would be necessary at this time. However, the law permits pension plans to reduce, or even eliminate, benefits called "non-protected benefits" as part of a Funding Improvement Plan. If the Trustees of the Plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any Plan amendment reducing non-protected benefits will not reduce the level of a participant's benefits accrued before the date of the amendment.

Non-Protected Benefits

While the Plan already has ceased benefit accruals since December 15, 1996 and while no further reductions in benefits are currently being contemplated at this time, the Plan has the following non-protected benefits that may be reduced or eliminated as part of any Funding Improvement Plan the Trustees may adopt:

- Disability Pensions for participants who are not yet disabled
- Post-Retirement Lump-Sum Death Benefits
- Post retirement \$180 monthly survivors benefit for participants who are not yet retired

Where to Get More Information

You have a right to receive a copy of the Funding Improvement Plan that was adopted by the Trustees in November of 2011. For more information about this, you may contact the following:

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