

April 26, 2013

**Notice of Seriously Endangered Status  
For**

**Philadelphia Marine Trade Association – International Longshoremen’s Association Pension Plan**

This is to inform you that on March 29, 2013 the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in “Seriously Endangered Status” for the plan year beginning January 1, 2013. Federal law requires that you receive this Notice.

**Seriously Endangered Status**

The Plan is considered to be in “Seriously Endangered Status” because the Plan’s actuary determined that the Plan is less than 80% funded and is projected to have an accumulated funding deficiency within the next seven plan years. The Plan’s Funded Percentage for certification purposes is 60.5%.

**Funding Improvement Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in Seriously Endangered Status to adopt a Funding Improvement Plan aimed at restoring the financial health of the Plan. Due to the Plan’s Seriously 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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