

**NOTICE OF ENDANGERED STATUS**  
for  
**DULUTH-SUPERIOR ILA MARINE ASSOCIATION PENSION FUND**  
**PLAN YEAR 2015**

2015 SEP -2 PM 1:10:00  
DULUTH-SUPERIOR ILA MARINE ASSOCIATION

This notice, which federal law requires, includes important information about the funding level of the Duluth-Superior ILA Marine Association Pension Fund (Plan). In 2006, the Pension Protection Act (PPA) was enacted, beginning with the 2008 Plan Year, requires the Plan's actuary to annually certify the Plan's funding status as critical, endangered, or neither, generally referred to as red, yellow or green, respectively.

On June 11, 2015, the Plan actuary for the Duluth-Superior ILA Marine Association Pension Fund certified to the U.S. Department of the Treasury, and also to the Plan's Board of Trustees ("Trustees"), that the Plan is in endangered status for the Plan Year beginning April 1, 2015.

Endangered Status

The Plan is considered to be in endangered status because it has funding percentage under 80% (64% as of April 1, 2015), but there is no current or projected funding deficiency in any of the succeeding six (6) years. The sum of the market value of assets and the present value of employer contributions also is greater than the present value of the sum of the benefit payments and expenses incurred over the next five (5) year and seven (7) year periods. The funded percentage is the percentage of earned benefits that could be funded with existing Plan assets. A projected funding deficiency is a sign that the projected contributions to the Plan are less than the minimum required by law.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the plan. The target for this Plan under the law is to reduce the unfunded liability percentage by 33% by April 1, 2023 and avoid any funding deficiencies. At this time, the Plan is on track and projected to meet this goal.

Future Experience and Possible Adjustments

The funding improvement plan is based upon a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases may be needed if the Plan were to suffer asset returns below the expected percentage, or poor experiences from other sources. The Plan benefits are "frozen" so there are no future benefit accruals to reduce. If at some point in time, the Board of Trustees determines that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Commitment to Continued Improvement

At this time, the Board of Trustees anticipates that the Plan will emerge from endangered status as expected and continue to see improved funded percentage. The Board of Trustees maintains its commitment to providing a retirement benefit on which you can rely to pay a lifetime benefit that will play a significant role in your overall retirement planning.

41-6043906

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator, at:

Alan Sturm & Associates  
8120 Penn Avenue South  
Bloomington, MN 55431  
(952)835-3035

The funding improvement plan was adopted by the Board of Trustees on February 15, 2011. You have a right to receive a copy of the funding improvement plan. To obtain a copy of the Plan's funding improvement plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement, you must contact the Plan Administrator at the address provided above.

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