Notice of Endangered Status
For
Local 338 Retirement Plan

This is to inform you that on March 30, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also the Board of Trustees, that the Local 338 Retirement Plan ("Plan") is in endangered status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

Under the Pension Protection Act of 2006 ("PPA"), the Plan is required to certify its funded status annually in one of three ways: neither endangered nor critical status ("green" zone), endangered status ("yellow" zone), or critical status ("red" zone).

Endangered Status

Under the criteria established by the PPA, a plan is in endangered status if it either (1) has a funded percentage below 80% or (2) if it is projected to have an accumulated funding deficiency within the next seven years. Even though the Plan was projected to be at least 80% funded as of January 1, 2015, it is considered to be in endangered status because the fund actuary has projected that the Plan may have an accumulated funding deficiency for the plan year beginning January 1, 2019 or after, based on current contribution and investment performance assumptions. An accumulated funding deficiency occurs when the contributions made to a plan in a given year are less than the minimum amount required under current law.

Please note that, even though the Plan has been certified as endangered, it currently had over $548 million in assets as of December 31, 2014, and the ratio of Plan assets to Plan liabilities is estimated to be at least 80%. In addition, we also note that, based on its current assets and the expected annual benefit payments and expenses of approximately $34.9 million, the Plan can currently afford to pay benefits and expenses for at least 30 years, assuming 6.75% return on investments and receipt of contractually required employer contributions.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan (FIP) aimed at restoring the financial health of the plan. In addition to their continuing efforts to increase contributions and investment income while reducing expenses, the Plan Trustees adopted a formal FIP in 2010 requiring increases in pension contributions to the Plan.

Where to Get More Information

For more information about this notice, you may contact the Plan administrator, Charles Hamilton, Local 338 Retirement Fund, 1505 Kellum Place, Mineola, NY 11501. Telephone number (516)294-1338.

Website: local338.org