



UAW LABOR-MANAGEMENT GROUP PENSION PLAN

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Notice of Critical Status

For

UAW Labor-Management Group Pension Plan

This is to inform you that on March 10, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the UAW Labor-Management Group Pension Plan (Plan) is projected to be in critical status for the Plan Year beginning January 1, 2019. Subsequently, per ERISA Section 305(b)(3), the Board of Trustees has elected for the Plan to be in critical status for the 2016 Plan Year. Federal law requires that you receive this notice.

Projected Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. The plan is projected to be in critical status, as the plan's actuary determined that the Plan will have a funding deficiency for the plan year beginning January 1, 2022.

2016 Plan Year Status

For the current plan year, beginning January 1, 2016, the plan is certified as endangered.

Critical Status Election for the 2016 Plan Year

Per ERISA Section 305(b)(3), as the plan is not in critical status for a plan year but is projected by the plan actuary to be in critical status in any of the succeeding 5 plan years, the plan may make an election to be in critical status for the plan year. On February 19, 2016, the Board of Trustees has elected for the Plan to be in critical status for the 2016 Plan Year.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation 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 reduction of adjustable

benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after March 18, 2016. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of March 18, 2016, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- ☐ One hundred and twenty month payment guarantees;
- ☐ Early retirement benefit or retirement-type subsidy;
- ☐ Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- ☐ Other similar benefits, rights, or features under the plan such as retroactive Annuity Starting Dates.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

A contributing employer's surcharge ceases once the employer adopts the required contribution schedule under the Rehabilitation Plan in its collective bargaining agreement and commences supplemental contributions.

Where to Get More Information

For more information about this Notice, you may contact the UAW Labor-Management Group Pension Plan by phone at (626) 279-3042 or by mail at UAW Labor-Management Group Pension Plan Trust Fund Office, P.O. Box 5406, El Monte, CA 91734. You have a right to receive a copy of the Rehabilitation Plan from the Plan Administrator.