

2019 NOTICE OF CRITICAL STATUS

For
The Utah Bakers Pension Trust Fund

2019 Notice of Critical Status to Participants, Beneficiaries, Alternate Payees, Employee Organizations (Unions), Participating Employers, the Pension Benefit Guaranty Corporation, and the Secretary of Labor

This Notice is to inform you that on April 30, 2019, the Fund's actuary certified on behalf of the Utah Bakers Pension Trust Fund (the "Fund") to the U.S. Department of the Treasury, and also to the plan sponsor, that the Fund is in critical status for the plan year beginning February 1, 2019. Federal law requires that you receive this notice.

Critical Status

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund has an accumulated funding deficiency for the current plan year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the tenth year the Fund has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On May 23, 2011, Fund participants were notified that the Fund reduced or eliminated adjustable benefits. On May 28, 2010, Fund participants were notified that as of May 28, 2010 the Fund 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. If the Trustees of the Fund determine that further 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 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 May 28, 2010.

Adjustable Benefits

The following adjustable benefits were eliminated as part of the rehabilitation plan the Fund adopted:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

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

- Early retirement benefit

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 Fund 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 Fund is in critical status until the effective date of a collective bargaining agreement that implements a Rehabilitation Plan Schedule. For the current plan year, all collective bargaining agreements have implemented a Rehabilitation Plan Schedule.

Where to Get More Information

If you have any questions regarding this notice, please contact the Fund Administrator:

Utah Bakers Pension Trust Fund
5251 Green Street, Suite 200
Murray, UT 84123
Telephone: (800) 435-4584 or (801-266-3271 in Utah)

You have a right to receive a copy of the rehabilitation plan from the Fund.

Sincerely,

BOARD OF TRUSTEES OF THE
UTAH BAKERS PENSION TRUST FUND