

**NOTICE OF CRITICAL AND DECLINING STATUS  
FOR  
IUE-CWA PENSION PLAN**

This Notice is to inform you that on March 30, 2016 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the IUE-CWA Pension Plan (the "Plan") is in Critical and Declining Status for the plan year beginning January 1, 2016. Federal Law requires that you receive this Notice.

This Notice is being sent to all of the Plan's participants, beneficiaries, the participating employers, associated unions, the Pension Benefit Guaranty Corporation and the Department of Labor.

**Critical and Declining Status**

The Plan is considered to be in Critical and Declining Status because it has funding or liquidity problems, or both and is projected to become insolvent in a future year. More specifically, the Plan's Actuary has determined that the Plan is projected to have an accumulated funding deficiency for the 2017 plan year.

The Plan is expected to become insolvent during the 2029 plan year. Such insolvency may result in benefit reductions.

**Rehabilitation Plan**

Federal law requires pension plans in Critical Status or Critical and Declining Status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. This is the sixth year the Plan has been in either Critical Status or Critical and Declining Status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of their rehabilitation plans. The plan sponsor of a plan in Critical and Declining Status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

On February 3, 2011, you were notified that the Board of Trustees (the "Trustees") of the Plan adopted a Rehabilitation Plan (the "February 3 Notice"). As described in the February 3 Notice, the Rehabilitation Plan provides for a reduction or elimination of adjustable benefits, and, in accordance with Federal law, provides that the Plan is not permitted to pay lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in Critical Status. The Trustees review the Rehabilitation Plan annually, and if they 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 in adjustable benefits may only apply to participants and beneficiaries whose benefit commencement date is on or after February 3, 2011. Please also see the Section of this Notice entitled "Multiemployer Pension Reform Act of 2014 (MPRA) and the Plan" for additional information regarding how the Plan may be amended.

## **Adjustable Benefits**

The Plan offers the following adjustable benefits which may be eliminated as part of the Rehabilitation Plan the Plan adopted:

- Disability benefits (if not yet in pay status);
- Certain guaranteed death benefits; and
- Early retirement subsidies.

## **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. This surcharge does not apply to employers once a collective bargaining agreement that incorporates a rehabilitation plan schedule is adopted.

## **Multiemployer Pension Reform Act of 2014 (MPRA) and the Plan**

MPRA contains certain tools that plan sponsors of multiemployer pension plans may utilize to attempt to improve the funding and liquidity problems facing their plans. These tools include mergers, partitions and benefit suspensions. If the Trustees of the Plan determine that it is in the best interest of the Plan and the Plan's participants and beneficiaries to utilize one of the statutory tools available pursuant to MPRA, you will receive a separate notice in the future identifying and explaining the effect of these provisions.

## **Where to Get More Information**

For more information about this Notice, you may contact Carey Wooton, CEBS, RPA, Director of the IUE-CWA Pension Fund: 2001 East 3<sup>rd</sup> Street, Bloomington, IN 47401, [carey@iuepension.org](mailto:carey@iuepension.org), or 812-671-0690. You have a right to receive a copy of the rehabilitation plan.