

New Bedford Fishermen's Pension Plan
114 Mac Arthur Drive, Suite 3, New Bedford, Massachusetts 02740
(508) 996-5618

2020 Notice of Critical and Declining Status

This is to inform you that on March 18, 2020 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2020. Federal law requires that you receive this notice.

Critical and Declining Status

The plan is considered to be in critical and declining status because it has funding and liquidity problems and is not expected to improve or emerge from this status. More specifically, the plan's actuary determined that the Plan initially had an accumulated funding deficiency for 2010 and the deficiency is growing and not expected to decline. The Plan is expected to become insolvent in the fiscal year 2023.

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 9th year the plan 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. In November 2010, the Trustees adopted a Rehabilitation Plan and you were notified that the plan reduced the monthly benefit for future service to \$10 for a full year of service. The Trustees also eliminated adjustable benefits. On April 30, 2010, you were notified that 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. If the trustees of the plan 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 benefits will not reduce the level of a participant's basic benefit payable at normal retirement. The Plan Trustees continue to take all reasonable measures to try to forestall the Plan's insolvency.

Adjustable Benefits - The plan eliminated the following adjustable benefits:

- ☐ Pre-Retirement death benefit
- ☐ Post-retirement death benefit
- ☐ Disability benefits (if not yet in pay status);

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. The employers all agreed to increase contributions by 10% commencing in 2011 and the 10% increase continues to be paid.

Where to Get More Information

For more information about this Notice, you may contact Ms. Maria DeF. Areias at 508-996-5618 or in writing at New Bedford Fishermen's Pension Plan, 114 MacArthur Drive, Suite 3, New Bedford, Massachusetts 02740. You have a right to receive a copy of the rehabilitation plan from the plan upon written request when available.