

*International Longshoremen's Ass'n. (AFL-CIO) - Employers
Benefit Funds, Southeast Florida Ports*

MAIN OFFICE
33 N.E. 6TH STREET
MIAMI, FLORIDA 33132
PH: (305) 377-3777
FX: (305) 377-1964

P.O. BOX 013980
MIAMI, FLORIDA 33101
info@ilamiamibenefits.org

BRANCH OFFICE
445 N.W. 6TH STREET
FT. LAUDERDALE, FL 33311
PH: (954) 463-6301
FX: (954) 463-7076



January 17, 2014

**Critical Status Notice for the ILA AFL-CIO Employers Pension Fund,
Southeast Florida Ports**

To Pension Fund Participants and Bargaining Parties:

Federal law requires that pension plans like the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports ("the Plan") be reviewed annually by an actuary who provides an opinion regarding the funded status of the plan. The Plan must annually update participants on the actuary's finding regarding the Plan's funded status. Enclosed is the annual update for the plan year that began October 1, 2013.

The Plan's actuary has determined that the Plan is projected to need additional employer contributions in order to maintain adequate funding levels. This means that the Plan is considered to be in critical status. In an effort to improve the Plan's funded status, the participating employers and union have adopted a rehabilitation plan consisting of revised employer contributions, which may reasonably be expected to enable the Plan to emerge from critical status.

Enclosed is the Critical Status Notice for the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports which is required by law to be distributed to all participants, participating employers and the union.

Este documento contiene en Inglés una notificación con referencia a los problemas de recursos en el plan de retiro. Si usted tiene alguna dificultad para comprender cualquier parte de esta notificación, favor de contactar a la Oficina de Fondos para asistirle, llamando al (305) 377-3777 o visite nuestra oficina en 33 NE 6th Street, Miami, Florida 33132. El horario de oficina es de Lunes a Viernes, de 9 A.M. a 5 P.M.

Sincerely,

Edwin Stewart
Fund Manager

ANNUAL FUNDING NOTICE

ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning 10/1/2012 and ending 9/30/2013 ("Plan Year").

How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funded percentage". This percentage is obtained by dividing the Plan's assets by its liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
Plan Year	2012	2011	2010
Valuation Date	10/1/2012	10/1/2011	10/1/2010
Funded Percentage	81.65%	87.98%	94.23%
Value of Assets	\$192,980,805	\$203,375,068	\$213,384,819
Value of Liabilities	\$236,351,802	\$231,167,214	\$226,440,935

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last day of the plan year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a plan's funded status as of the Valuation Date. The fair market value of the Plan's assets as of the last day of the Plan Year and each of the two preceding plan years is shown in the following table:

	9/30/2013	9/30/2012	9/30/2011
Fair Market Value of Assets	\$211,873,496	\$197,659,080	\$175,489,463

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was in critical status in the Plan Year ending 9/30/2013 because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan is in critical status based on the following criteria:

- 1) The plan has an accumulated funding deficiency for the current plan year.
- 2) Over the next three plan years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2013 through October 1, 2015.
- 3) The sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over

the next four plan years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2013 through October 1, 2016.

- 4) The plan was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2013 through October 1, 2021.

In an effort to improve the Plan's funding situation, the bargaining parties have adopted a rehabilitation plan consisting of a revised contribution structure, which may reasonably be expected to enable the plan to emerge from critical status by the end of the rehabilitation period. The rehabilitation period began on October 1, 2010 and will last for 13 years as permitted under Section 205 of WRERA. The plan is making scheduled progress in meeting the rehabilitation plan.

You may obtain a copy of the Plan's funding improvement or rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

If the Plan is in endangered or critical status for the plan year ending 9/30/2014 separate notification of that status has or will be provided.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was 2,314. Of this number, 1,318 were active participants, 825 were retired or separated from service and receiving benefits, and 171 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Plan is to fund the plan through a combination of contributions received from employers and investment income generated by the Plan's investments.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is generally to invest assets in a diversified manner among multiple asset classes that are expected over the long term to generate returns that equal or exceed the Plan's actuarial assumed rate of return within acceptable levels of risk.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

<u>Asset Allocations</u>	
Cash (interest bearing and non-interest bearing)	1.5%
U.S. Government Securities	4.0%
Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All Other	8.0%
Corporate stocks (other than employer securities):	
Preferred	0.0%
Common	61.5%
Partnership/joint venture interests	0.2%
Real estate (other than employer real property)	0.0%
Loans (other than to participants)	0.0%
Participant loans	0.0%
Value of interest in common/collective trusts	24.8%
Value of interest pooled separate accounts	0.0%
Value of interest in master trust investment accounts	0.0%
Value of interest in 103-12 investment entities	0.0%
Value of interest in registered investment companies (e.g., mutual funds)	0.0%
Value of funds held in insurance co. general account (unallocated)	0.0%
Employer-related investments:	
Employer securities	0.0%
Employer real property	0.0%
Buildings and other property used in plan operation	0.0%
Other	0.0%

For information about the plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities, you may contact:

Mr. Edwin Stewart
 Plan Administrator
 ILA AFL-CIO Employers Pension Fund
 Southeast Florida Ports
 33 NE 6th Street
 Miami, FL 33132
 (305) 377-3777

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator.

Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called "plan reorganization rules", a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite these special plan reorganization rules, a plan in reorganization could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus $\$24.75$ ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus $\$6.75$ ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact:

Mr. Edwin Stewart
Plan Administrator
ILA AFL-CIO Employers Pension Fund
Southeast Florida Ports
33 NE 6th Street
Miami, Florida 33132
(305) 377-3777

For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" are Board of Trustees of the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports and 59-6130114. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

Notice of Critical Status for the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports

This is to inform you that on December 20, 2013 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning October 1, 2013. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan is critical based on the following criteria:

- 1) The plan has an accumulated funding deficiency for the current plan year.
- 2) Over the next three plan years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2014 through October 1, 2016.
- 3) The sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2014 through October 1, 2017.
- 4) The plan was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency for the plan years beginning October 1, 2014 through October 1, 2018.

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 reductions 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 January 22, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of January 22, 2010, 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:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- 60-month payment guarantees.

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.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the ILA AFL-CIO Employers Pension Fund, Southeast Florida Ports at (305) 377-3777 or 33 NE 6th Street, Miami, Florida 33132. You have a right to receive a copy of the rehabilitation plan from the plan.