MARINE CARPENTERS PENSION FUND
5 THIRD STREET, SUITE 525 • SAN FRANCISCO, CA 94103
PHONE (415) 896-5742 • (800) 257-1515 • FAX (415) 896-0587

July 28, 2014

EBSA/PUBLIC DISCLO.
2014 AUG -4 PM 4:49

VIA UPS GROUND
TRACKING NO. 1ZF780E40395198176

U.S. Department of Labor
Employee Benefits Security Administration (EBSA)
Public Disclosure Room, N-1513
200 Constitution Avenue NW
Washington, DC 20210

Re: Notice of Critical Certification for MARINE CARPENTERS PENSION FUND (EIN 94-6272731/ PLAN 001)

Dear Sir or Madam:

As required by Internal Revenue Code Section 432(b)(3)(D)(i), this is to inform you that the above referenced plan has been certified by the plan actuary to be in critical status as defined in Code Section 432(b)(2) for the plan year beginning April 1, 2014. The date of the certification is June 27, 2014. A copy of the Notice provided to participants, participating employers, local unions, retirees and beneficiaries is enclosed.

Please let us know if you have any questions.

Board of Trustees
Marine Carpenters Pension Fund

Enclosure

MARINE CARPENTERS PENSION FUND

5 THIRD STREET, SUITE 525 • SAN FRANCISCO, CA 94103

PHONE (415) 896-5742 • (800) 257-1515 • FAX (415) 896-0587

July 25, 2014

TO: Participants, Beneficiaries, Contributing Employers and Local Unions

FROM: Board of Trustees Marine Carpenters Pension Plan

SUBJECT: Notice of Actuary's Certification of Critical Funding Status of the Marine Carpenters Pension Plan (the "Plan") under the Pension Protection Act of 2006 for the April 1, 2014 Plan Year

---

This is to inform you that on June 27, 2014, the Plan's actuary certified to the U.S. Department of Treasury, and also to the Plan's Board of Trustees that the Plan is in critical status (as defined under the Pension Protection Act of 2006 ("PPA") and also known as "Red Zone" status) for the Plan Year beginning April 1, 2014. Federal law requires that you receive this notice.

CRITICAL STATUS

In recent years, the Board of Trustees has taken steps to bring the Plan's liabilities into balance with its assets. Despite these efforts, there remains a shortfall that must be addressed through the Rehabilitation Plan in order for the Plan to comply with the requirements of the PPA. The Plan was previously considered to be in critical status for the Plan Years that began April 1, 2010, April 1, 2011, April 1, 2012, and April 1, 2013. The Plan continues to be in critical status for the Plan Year beginning April 1, 2014 because it has funding problems. More specifically, the Plan's actuary has determined that:

- The Plan is projected to have an accumulated funding deficiency for the 2016-2017 and 2017-2018 Plan Years.

- 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 following the current Plan Year, the Plan is projected to have an accumulated funding deficiency for the 2016-2017, 2017-2018, and 2018-2019 Plan Year.

- The Plan was in critical status during the 2013-2014 Plan Year and, over the next nine years following the current Plan Year, the Plan is projected to have an accumulated funding deficiency for the 2016-2017 through 2023-2024 Plan Years.

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 fifth year the Plan has been in critical status. The law permits pension plans in the red zone to reduce or even eliminate benefits called "adjustable benefits" as part of a rehabilitation plan. On December 21, 2010, you were notified that the Plan reduced or eliminated certain adjustable benefits. In addition, please be aware that effective with the date that you were notified of the Plan's critical status, the Plan is not permitted to pay benefits under any payment form in excess of the monthly amount paid under a single lifetime annuity while the Plan 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 adjustable benefits will not reduce the level of a Participant's basic benefit payable at Normal Retirement Age. In addition, the reductions may only apply to Participants and beneficiaries whose benefit commencement date is on or after July 29, 2010.

ADJUSTABLE BENEFITS

When the Plan was initially certified to be in critical status for the April 1, 2010 Plan Year, you were informed that the following adjustable benefits could be reduced or eliminated as part of some of the Schedules to a Rehabilitation Plan adopted by the Board of Trustees:

- Any early retirement-type subsidy for Early Retirement Pensions first commencing on or after July 29, 2010.
- Disability Benefit (if not already in pay status)
- 50% and 75% Husband-and-Wife Pension formula subsidy and "reversionary" or "pop-up" feature.
- Optional Death Benefit consisting of 36 monthly payment of the Participant's accrued benefit to surviving spouse or, if no spouse, monthly payments divided among surviving dependent children until their attainment of age 19)
- Pensioner's Three-Year Guarantee of Benefits providing for remaining payments during the guarantee period to the Participant's surviving Spouse.
- Additional Death Benefit Payments to Surviving Spouse of Pensioner providing two extra payments to surviving spouse of a Pensioner who received 36 or more monthly payments prior to death

On November 12, 2010, the Board of Trustees adopted a Rehabilitation Plan and you were informed of the specific benefits that were subject to reduction or elimination under certain Schedules to the Rehabilitation Plan. The Rehabilitation Plan was distributed to Plan Participants, Contributing Employers and Local Unions on December 21, 2010. Upon the expiration date of each individual Collective Bargaining Agreement in effect on December 21, 2010, Local Unions and Contributing Employers are required to negotiate new Collective Bargaining Agreements whose terms conform to one of the two Alternative Schedules or the Default Schedule. If a bargaining group does not reach agreement on a Contribution rate that conforms to one of the Schedules within 180 days following the expiration of the prior Collective Bargaining Agreement, the Default Schedule is required by law to be automatically imposed on them by the Trustees. Nothing prevents the Contributing Employer and Local Union from agreeing to and implementing a Schedule earlier than the expiration date of a current Collective Bargaining Agreement. Over time, required updates to the Rehabilitation Plan may require further increases in contributions and/or the further reduction or elimination of adjustable benefits. You will be notified of any such actions taken by the Board of Trustees.

The Rehabilitation Plan was updated in August 2011, August 2012 and May 2013. None of these updates required further changes in benefits.

EMPLOYER SURCHARGE

The law requires all Contributing Employers to 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 or subscription agreement. A 5% surcharge was applicable to the initial critical year and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status until the Employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan. The 10% surcharge is payable with respect to periods after March 31, 2011, until a negotiated contribution rate that satisfies the Rehabilitation Plan goes into effect.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact:

Ms. Maria C. Jacini
Fund Manager
Marine Carpenters Pension Fund
5 Third Street, Suite 525
San Francisco, CA 94013
(415) 896-5742 or (800) 257-1515