

**UNION  
TRUSTEES**  
Susan M. Cleary  
Craig A. Ford  
Grisel M. Anton  
Joni Reese

**DISTRICT 1199J NEW  JERSEY PENSION FUND** J. Scott Clemmensen  
Zachary Lipner  
Richard Davis

**Notice of Critical Status For  
DISTRICT 1199J NEW JERSEY HEALTH CARE EMPLOYERS PENSION PLAN**

This is to inform you that on **March 29, 2019** 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 **January 1, 2019**. 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 projected to have an accumulated funding deficiency within 5 years; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and 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.

**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 second 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. On April 24, 2018, you were notified that the plan reduced or eliminated adjustable benefits and 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 adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement.

**Adjustable Benefits**

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

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Service Pension benefit (unreduced retirement at age 57 with 30 Years of Service); and
- Benefit payment options other than a qualified joint and survivor annuity (QJSA).

**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 Ms. Pressy Lavrador by writing to The District 1199J New Jersey at 9-25 Alling Street, Newark, NJ 07102 or by telephone at (973) 242-7505. You have a right to receive a copy of the rehabilitation plan from the Plan.

9-25 Alling Street • Newark, New Jersey 07102  
Tel: 973-242-7505 • 1-800-207-1199 • Fax: 973-242-1037  
Barbara Small, Executive Director