

Notice of Critical & Declining Status For Production Workers Pension Fund

This is to inform you that on March 28, 2022 the plan actuary certified to the U.S. Department of Treasury and the plan sponsor that the plan is in critical and declining status for the plan year beginning January 1, 2022. Federal law requires that you receive this notice.

Critical & Declining Status

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the plan actuary determined that the plan is projected to incur an accumulated funding deficiency in 2022 and to be insolvent in 2028.

Rehabilitation Plan

Federal law requires pension plans in critical and declining 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. The reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2014. Benefits reductions were adopted and became effective February 1, 2015 but the Trustees have concluded that the Plan cannot reasonably be expected to emerge from critical status by the end of a 10-year rehabilitation period or at a later time. Accordingly, the Trustees have developed the rehabilitation plan consisting of reasonable measures to forestall insolvency.

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:

- Post-retirement death benefit;
- Disability benefit (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e, occurring in past 5 years);
- Other similar benefits, rights, or features under the plan {provide identification}

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 Fund Office at (212)-284-1108, 124 East 40th Street, New York, New York 10016. You have a right to receive a copy of the rehabilitation plan from the Plan Administrator.