

**Notice of Funded Status  
For  
Hampton Roads Shipping Association –  
International Longshoremen’s Association Pension Plan**

The Pension Protection Act of 2006 (PPA’06) requires the Plan to issue a number of notices on an annual basis. This notice is being sent to inform you that on December 28, 2012, the plan actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan is in Endangered Status for the plan year beginning October 1, 2012.

**Endangered Status**

Endangered Status is a label that the law requires the Trustees to use. The Plan is considered to be in Endangered Status because its funded percentage of 66.0% for the 2012-2013 Plan Year is below the government’s “healthy” threshold of 80%. This means that the actuarial value of the Plan’s assets was 66.0% of the total liability for all Plan participants.

**Funding Improvement Plan**

The Trustees have adopted a Funding Improvement Plan (“FIP”) for the Plan Year beginning October 1, 2011. The FIP is an action plan designed to improve the balance of assets and liabilities. More specifically, the FIP is designed to achieve the following goals:

- Increase the funding percentage by roughly 11.2% over a ten year period, and
- Avoid any accumulated funding deficiency for any of the Plan Years for which the FIP applies.

You may obtain a copy of the Plan’s FIP by contacting the Fund Office.

For the duration of the FIP period, the Trustees cannot accept a contract providing for a reduction in contribution rates, a funding holiday, or the exclusion of new hires from pension coverage. Before the adoption of the FIP, the Trustees cannot amend the plan to increase benefits except as required to maintain the Plan’s IRS qualification. After adoption of the FIP, the Trustees may increase benefits only if the actuary certifies that the increase is consistent with the FIP and is funded by contributions in excess of those required to meet the FIP benchmarks.

Please note that the PPA’06 requires that the Plan’s funding status be reviewed and certified annually and notices like this one will be sent each year. There are several variables beyond the control of the Trustees, which the Plan’s advisors will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers, which could affect the Plan’s status and the Trustees’ recommended corrective actions in the future.

**Where to Get More Information**

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan’s future. The Board of Trustees remains confident that, with the appropriate adjustments, the Plan will continue to provide our participants and their families with secure retirement benefits. For more information about the Plan, you may contact:

Lewis M. Cobb Jr., Plan Administrator  
1355 International Terminal Blvd.  
Norfolk, VA 23505-1458  
Telephone (757) 457-7090

Copies: Pension Benefit Guarantee Corporation (“PBGC”)  
Department of Labor (“DOL”)

EBSA/PUBLIC DISCLOSURE  
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