

Notice of Critical Status
1199SEIU Greater New York Pension Plan (“Plan”)

This is to inform you that on March 31, 2011, 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, 2011. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan’s actuary determined that the Plan has an accumulated funding deficiency that began in the 2010 Plan Year.

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. This is the third year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” (described below) as part of a rehabilitation plan. On May 31, 2009, the trustees of the Plan adopted a rehabilitation plan that includes two options, a Preferred Schedule and a Default Schedule. Under the Default Schedule, the plan reduced or eliminated adjustable benefits. On April 30, 2009, you were informed that 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. On December 1, 2010, a notice regarding certain benefit reductions was sent to a small group of participants who may have had the Default Schedule applied to them as of January 1, 2011. If the trustees of the Plan determine that further benefit reductions are necessary and may apply to you, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reductions of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant’s basic benefit payable at normal retirement age. In addition, any reductions may only apply to participants whose benefit commencement date is on or after April 30, 2009.

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 benefits;
- 60-month payment guarantees;
- Disability benefits (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 the past 5 years);
- Other similar benefits, rights, or features under the plan, such as Partial Pensions.

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. The surcharge ends for an employer once its collective bargaining agreement incorporates one of the options of the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact 1199SEIU Benefit and Pension Funds, at (646) 473-9200, or write to 1199SEIU Benefit and Pension Funds at 330 West 42nd Street, New York, NY 10036-6977. You have the right to receive a copy of the rehabilitation plan from the Plan.