

NOTICE OF CRITICAL STATUS FOR 2015 FOR THE BAKERY DRIVERS LOCAL 802 PENSION FUND

This is to inform you that on March 31, 2015 the actuary for the Bakery Drivers Local 802 Pension Fund certified to the U.S. Department of the Treasury and the Board of Trustees of the Fund that the Fund is in critical status for its year beginning January 1, 2015 and ending December 31, 2015. Federal law requires that you receive this notice.

Critical Status: The Pension Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund is projected to have an accumulated funding deficiency within the next four plan years. In addition, the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and it has a funded deficiency of less than 65%.

Rehabilitation Plan and Possible Reduction in Benefits: Federal law requires each pension fund in critical status to adopt a Rehabilitation Plan aimed at restoring its financial health. As a result, a Rehabilitation Plan was adopted on November 25, 2008, it was subsequently modified in 2009 and 2010. You have the right to receive a copy of the Plan upon written request. The law permits a pension fund in critical status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. If the Trustees of the Bakery Drivers Local 802 Pension Fund determine that 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 already earned payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 11, 2008 (the date you were first notified that the Fund was in Critical Status). In addition, effective as of April 11, 2008, the Fund 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.

Adjustable Benefits: The Fund offers the following adjustable benefits which may be reduced or eliminated, if not in pay status as of April 11, 2008, as part of any Rehabilitation Plan the Fund may adopt: post-retirement death benefits, thirty-six month payment guarantees, disability benefits, retirement-type subsidies and subsidized early retirement benefits.

Employer Surcharge: The law requires that all contributing employers who have not yet adopted the Rehabilitation Plan pay to the Fund a surcharge to help correct the Fund'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 Fund under the applicable collective bargaining agreement. The monthly surcharge is 10%. The employer will continue to pay the monthly surcharge while the Fund is in critical status and until a collective bargaining agreement is negotiated for the employer that is consistent with the Rehabilitation Plan.

Where to Get More Information: For more information about this Notice, you may contact:

Board of Trustees
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Telephone: 516-378-2011