

MEMORANDUM

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments,
QDRO Alternate Payees, Employers Obligated to Contribute,
Local 966, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: April 30, 2015

RE: **Notice of the Actuary's Certification of Critical Status under the Pension Protection Act of 2006 for the Local 966 Pension Plan**

This is to inform you that on March 31, 2015, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2015. 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 as of January 1, 2015: (i) the plan's ongoing normal cost plus interest on the unfunded liabilities exceeds the present value of expected 2015 contributions; additionally, (ii) the present value of vested benefits for inactive participants exceeds the present value of vested benefits for active participants; and (iii) the plan is projected to have an accumulated funding deficiency as of the end of the 2015 plan 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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan on November 24, 2010. The rehabilitation plan requires an additional annual 9.75% increase in employer contributions effective January 1, 2013 on top of employer surcharges during the period May 30, 2010 to December 31, 2012 with the last 9.75% annual increase occurring on January 1, 2019. Additionally, effective January 1, 2011, the rate at which active participants earn future benefits was reduced by 25% of the current accrual rate and for retirement before age 65, the early retirement reduction factors changed from 82%, 88% and 94% at ages 62, 63 and 64 to 73.87%, 81.50% and 90.15%.

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Adjustable Benefits

The plan offered early retirement subsidy adjustable benefits which were reduced as described above as part of the rehabilitation plan adopted by the Trustees. The reduction of these adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge until a Rehabilitation Plan is adopted by the bargaining parties 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. The surcharge began with contributions due on or after May 1, 2010. A 5% surcharge was applicable in the initial critical year of 2010 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 Trust Fund's Administrative Office at:

Carday Associates, Inc.
7130 Columbia Gateway Drive
Suite A
Columbia, MD 21046
(410) 872-9500

You have a right to receive a copy of the rehabilitation plan from the plan that the Board of Trustees have adopted.

Board of Trustees