

Local 804 Pension Fund

I. B. T. C. W. & H. of AMERICA

34-21 Review Avenue
Long Island City, N.Y. 11101



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Notice of Critical Status For TEAMSTERS LOCAL 804 PENSION FUND

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 Trustees of the Plan, that the Plan is 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 the Plan had an accumulated funding deficiency in the Plan Year beginning January 1, 2013.

Rehabilitation Plan

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 sixth year the plan has been in critical status. The law permits pension plans to reduce or eliminate "adjustable benefits" as part of a rehabilitation plan, and on December 1, 2010, you were notified of the elimination of certain adjustable benefits, depending on your retirement date and future collective bargaining negotiations. In addition, on March 4, 2010, you were notified that as of March 1, 2010 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.

If the Trustees of the Plan determine that further 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 payable at normal retirement. In addition, any reductions or elimination of adjustable benefits may apply only to participants and beneficiaries whose benefit commencement date is on or after March 1, 2010.

Adjustable Benefits

Prior to December 2010, the Plan offered the following adjustable benefits, some of which were eliminated as part of the Rehabilitation Plan adopted by the Trustees, as described in the December, 2010 notice you received:

- ✓ Post-retirement death benefits;
- ✓ 36-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).

Additional reductions may be made in the future, subject to applicable notice requirements, as referred to above.

Employer Surcharge

Consistent with the law, the sole contributing employer to the Plan paid a surcharge to the Plan to help correct the Plan's financial situation starting 30 days after it received the initial notice of critical status in 2010. The amount of the surcharge was equal to 5% of the amount the employer was otherwise required to contribute to the Plan under its previous collective bargaining agreement with Teamsters Local 804. The surcharge increased to 10% starting January 1, 2011. As of December 1, 2011, under the collective bargaining agreement, then in effect, the employer's contribution rate to the Fund increased by 34% (including the surcharge). That agreement also included the benefit changes of the Preferred Schedule of the Rehabilitation Plan. You can receive a written copy of the Rehabilitation Plan by contacting the Fund Office as noted below.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of Teamsters Local 804 Pension Fund, in care of Thomas Lamontanaro, Fund Manager, at (718) 786-5410, 34-21 Review Avenue, Long Island City, NY 11101.

April 24, 2015