

## **Notice of Critical and Declining Status**

United Independent Union – Newspaper Guild of Greater Philadelphia Pension Plan  
EIN: 23-6405043  
Plan Number: 001

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 is in critical and declining status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

### **Critical Status and Declining Status**

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan was in critical status last year, the plan has an accumulated funding deficiency for the current plan year and the plan is projected to be unable to pay benefits within 19 succeeding plan years.

### **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 and the first year that the plan is in critical and declining status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. You were notified in the 2011 Notice of Critical Status that the plan reduced or eliminated adjustable benefits. You were notified that as of April 30, 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 (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. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after March 1, 2011.

### **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:

- ◆ Certain Pre-retirement death benefits;
- ◆ Disability benefits (if not yet in pay status);
- ◆ Early retirement benefit or retirement-type subsidy; and

### **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 does not apply to any employer once its collective bargaining agreement is in compliance with the Rehabilitation Plan.

### **Where to Get More Information**

For more information about this Notice, you may contact:

Patrick M. O'Hara, Plan Administrator  
Benefit Processing, Inc.  
20 Brace Road, Suite 114  
Cherry Hill, NJ 08034  
856-616-2090

You have a right to receive a copy of the Rehabilitation Plan from the Plan Administrator.