

2023 NOTICE OF CRITICAL AND DECLINING STATUS FOR THE LOCAL 111 PENSION FUND

This is to inform you that the actuary for the Local 111 Pension Fund (The "Fund") certified to the U.S. Department of the Treasury and to the Fund's Board of Trustees, as the Fund's sponsor, that the Fund is in critical and declining status for the Plan Year that began on December 1, 2023. Federal law requires that you receive this notice.

Critical and Declining Status: The Fund was certified by the Fund's actuary as being in critical and declining status because it has funding or liquidity problems, or both. Specifically, the Fund is projected to be insolvent during the Plan Year ending November 30, 2040, absent any special financial assistance from the Pension Benefit Guaranty Corporation ("PBGC"). "Insolvent" means that the Fund's available resources will not be sufficient to pay benefits during the Plan Year in which they are due. Such insolvency may result in benefit reductions. In an effort to avoid the projected insolvency and potential benefit reductions, the Fund's Board of Trustees is in the process of applying to the PBGC for special financial assistance under the terms of the American Rescue Plan Act of 2021. The special financial assistance is intended to help the plan remain solvent through the Plan Year ending November 30, 2051. The PBGC has 120 days to accept or deny the application once it has been filed and will transfer the requested amount of special financial assistance to the Fund 60 to 90 days after approving an application.

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. A Rehabilitation Plan was adopted as of April 2019.

The law permits a pension fund in Critical Status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. At this time, there are no changes to the existing benefits. If it is decided that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those changes. Any reduction of adjustable benefits will not reduce the level of the basic benefit already earned and payable at normal retirement. In addition, the reductions may only apply to adjustable benefits which started on or after January 1, 2019. Also, the Fund is not permitted to pay lump sum benefits while it is in Critical Status after 2018.

Adjustable Benefits: The Fund offers the following adjustable benefits which may be reduced or eliminated: post-retirement death benefits, disability benefits and subsidized early retirement benefits, none of which are currently affected.

Employer Surcharge: The law requires that all contributing employers, which have not adopted the Rehabilitation Plan, pay to the Fund a surcharge to help the Fund's financial situation. The Rehabilitation Plan that was adopted takes into account increases in contribution rates that were in the collective bargaining agreements in effect at the time of the Rehabilitation Plan's adoption. As a result, employers that have adopted the Rehabilitation Plan's preferred schedule will not be subject to the surcharge.

Where to Get More Information: For more information about this Notice or for a copy of the Rehabilitation Plan, contact:

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2137-2147 Utica Avenue
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