

## **Notice of Critical Status for the 1199SEIU Greater New York 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 to the Plan sponsor 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 problems. More specifically, the Plan's actuary determined that the Plan has an accumulated funding deficiency for the Plan Year beginning January 1, 2015.

### **Rehabilitation Plan and Possibility of Reduction in Benefits**

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 fifth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" (described below) as part of a rehabilitation plan. On May 31, 2009, the Trustees adopted a rehabilitation plan that includes two options, a Preferred Schedule and a Default Schedule. Under the Default Schedule, the Plan reduced or eliminated adjustable benefits. On April 30, 2009, you were informed that 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 reductions 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 Age. In addition, any reductions may only apply to participants whose benefit commencement date is on or after April 30, 2009.

### **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:

- Post-retirement death benefits
- 60-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)
- Recent benefit increases (i.e., occurring in the past five years)
- Other similar benefits, rights or features under the Plan, such as Partial Pensions

### **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 five percent surcharge is applicable in the initial critical year and a 10 percent surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status. The surcharge ends for an employer once its collective bargaining agreement incorporates one of the options of the rehabilitation plan.

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

For more information about this notice, or to obtain a copy of the rehabilitation plan, contact Michael Kaiser, Chief Pension Officer, at (646) 473-9200, or write to: 1199SEIU Benefit and Pension Funds, 330 West 42nd Street, New York, NY 10036-6977.