

Local 32 Pension Plan
870 Broadway, Newark, NJ 07104
(973) 485-3626

2010 Notice of Critical Status

This is to inform you that on March 30, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2010. You were informed of the Plan's status in April when the Annual Funding Notice was mailed to you. 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 over the next three plan years the plan is projected to have an accumulated funding deficiency for the 2013 year (year 4). Additionally the sum of the plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year and the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that 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, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010. But you should know that whether or not the plan reduces adjustable benefits in the future, effective 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.

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:

- One-hundred twenty month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit and retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA)
- Recent benefit increases (occurring in the past 5-years)

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.

Where to Get More Information

For more information about this Notice, you may contact Mr. Bill Maher at 973-485-3626 or in writing at Local 32 Pension Plan, 870 Broadway, Newark, NJ 07104. You have a right to receive a copy of the rehabilitation plan from the plan upon written request when available.

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