

NOTICE OF CRITICAL STATUS FOR BUILDING SERVICE 32BJ PENSION FUND

The purpose of this Notice is to inform you that, on September 28, 2015, the actuary of the Building Service 32BJ Pension Fund (“Fund”) certified to the U.S. Department of the Treasury, and also to the Board of Trustees of the Fund, that the Fund is in critical status for the plan year beginning July 1, 2015. Federal law requires that you receive this Notice.

Critical Status

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund’s actuary has determined that the Fund is projected to have an accumulated funding deficiency within four plan years.

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 Fund’s Trustees 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 (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 will apply only to those participants and beneficiaries whose benefit commencement date is on or after the date of the initial notice of the Fund’s critical status which was October 28, 2010.

Adjustable Benefits

The Fund offers the following adjustable benefits which may be reduced or eliminated as part of the Fund’s rehabilitation plan:

- 36-month (or 12 month in Program B) payment guarantees
- Disability benefits (not yet in pay status)
- Early retirement benefit
- Recent benefit increases (e.g. occurring in the past 5 years before the adoption of the Rehabilitation Plan)

Under the original Rehabilitation Plan adopted by the Fund's Board of Trustees, one schedule provided for an increase in contributions only, while the other schedule reduced future benefit accruals, eliminated the adjustable benefits described above, and increased contributions. Effective July 17, 2013, the Rehabilitation Plan contains only one schedule, which provides for increased contributions only.

Employer Surcharge

The law requires that contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation unless the bargaining parties amend their collective bargaining agreement to include terms consistent with the schedules set forth in the Rehabilitation Plan. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Fund under the applicable collective bargaining agreement. A 5% surcharge was applicable in the initial critical year (2010).

Where to Get More Information

For more information about this Notice, you may contact the Fund Office at 25 West 18th Street, New York, NY 10011-4676 or 212-388-3500. You have a right to receive a copy of the Rehabilitation Plan from the Fund.