The Newspaper Guild International
PENSION FUND

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NOTICE OF CRITICAL STATUS
FOR
THE NEWSPAPER GUILD INTERNATIONAL PENSION PLAN (TNGIPP)

April 27, 2012

The Pension Protection Act of 2006 (PPA) added requirements for measuring the financial health of multiemployer plans such as ours. It requires that the pension plan's actuary determine annually a plan's financial status under PPA rules and certify that status to the IRS and the Trustees. It is important to note that if a plan's status for a plan year is either "endangered" (known as the yellow zone) or "critical" (known as the red zone), the Trustees must notify all participants, unions, employers, and other parties in writing of this certification, as well as take corrective action to restore the financial health of the plan.

This is to inform you that on March 29, 2012, the Plan's actuary certified to the U.S. Department of the Treasury, and to the Trustees, that TNGIPP is in critical status (the "red zone") for the Plan year beginning January 1, 2012.

Critical Status

On March 31, 2010 and then on March 31, 2011, the Plan's actuary determined and certified that TNGIPP was in "critical" status for the 2010 and 2011 Plan years, respectively. The original determination was made because TNGIPP was projected to have an accumulated funding deficiency within four years. As required, the Plan's actuary again formally reviewed the status of the Plan's financial health and certified on March 30, 2012, that TNGIPP continues to be in critical status for the 2012 Plan year, because it was determined that TNGIPP is projected to have an accumulated funding deficiency within a ten-year period, the elimination of which within that timeframe is the requirement to exit critical status.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a "rehabilitation plan" aimed at restoring the financial health of the plan. The Board of Trustees adopted a Rehabilitation Plan on May 1, 2010. As required by the law, a Notice describing TNGIPP's Rehabilitation Plan was provided to the bargaining parties on April 9, 2010. On May 28, 2010, the Trustees sent out a Notice of Reduction and Adjustment of Benefits Due to Critical Status, explaining all the changes adopted under the TNGIPP Rehabilitation Plan. The law permits pension plans in the red zone to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan.

Adjustable Benefits

TNGIPP offered the following adjustable benefits, which the law permits may be reduced or eliminated as part of any rehabilitation plan.

- Death Benefit (return of contributions)
- Early Retirement Pension

- Disability Pension
- Any benefit payment options (including the Domestic Partner Pensions and any "grandfathered" pre-merger payment options), including any retirement-type subsidy, other than a 50% Spouse's Pension, a 75% Spouse's Pension, and a Life Annuity.

The Rehabilitation Plan adopted by the Trustees governs the particular treatment of Adjustable Benefits by TNGIPP.

However, a rehabilitation plan may not reduce or eliminate the level of an accrued normal retirement benefit payable at normal retirement.

Pension Plan Changes

On May 1, 2010, the Board of Trustees adopted a Rehabilitation Plan that included various changes to TNGIPP in order to improve the financial health of the Plan. Most of the Plan's participating Unions and contributing Employers have agreed to one of the "schedules" of changes as set forth under the Rehabilitation Plan. TNGIPP sent a Notice describing those changes on May 28, 2010. Generally, the changes apply to participants who terminate from service or retire with a benefit commencement date on or after June 30, 2010. The changes include the elimination of optional forms of payment, elimination of early retirement subsidies, penalties for employer withdrawals from TNGIPP, elimination of pre-merger "floors," and in some instances the elimination of Disability, Early Retirement, and Domestic Partner Pensions. TNGIPP also eliminated the lump sum death benefit as of July 1, 2010.

Employer Surcharge

The law requires that all contributing employers pay to a plan a surcharge, which is owed unless and until the bargaining parties adopt one of the schedules in a rehabilitation plan. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan. 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, until the bargaining parties agree to a collective bargaining agreement that implements one of the schedules called for in a rehabilitation plan. The 5% surcharge to TNGIPP was payable on contributions due for work performed on and after May 30, 2010, until December 31, 2010, and the 10% surcharge to TNGIPP was payable with respect to periods afterwards, until the bargaining parties adopt either the Preferred Schedule or the Default Schedule as provided under the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact:

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Sincerely,

BOARD OF TRUSTEES