Notice of Critical and Declining Status

For:

United Independent Union – Newspaper Guild of Greater Philadelphia Pension Plan
EIN: 23-6405043
Plan Number: 001

This is to inform you that on March 31, 2021 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2021. Federal law requires that you receive this notice.

Critical and Declining Status

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. The plan's actuary determined that the plan was in critical and declining status last year, the plan has an accumulated funding deficiency for the current plan year and the plan is projected to be unable to pay benefits within 19 succeeding plan years. More specifically, the plan is expected to run out of money by the end of the 2025 plan year.

Rehabilitation Plan

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 twelfth year the plan has been in critical status and the seventh year that the plan is in critical and declining status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. You were notified in the 2011 Notice of Critical Status that the plan reduced or eliminated adjustable benefits. You were notified that 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. 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.

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:

- Certain Pre-retirement death benefits;
- Disability benefits (if not yet in pay status); and
- Early retirement benefit or retirement-type subsidy.

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. The surcharge currently does not apply to any employer as its collective bargaining agreement is in compliance with the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact:

Brian P. O'Hara, CEBS®, Plan Administrator
Benefit Processing, Inc.
20 Brace Road, Suite 114
Cherry Hill, NJ 08034
800-847-0902
BOHara@bpiTPA.com

You have a right to receive a copy of the Rehabilitation Plan from the Plan Administrator.

ANNUAL FUNDING NOTICE FOR UNITED INDEPENDENT UNION – NEWSPAPER GUILD OF GREATER PHILADELPHIA PENSION PLAN

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2020 and ending December 31, 2020 (“Plan Year”).

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
Plan Year	2020	2019	2018
Valuation Date	January 1, 2020	January 1, 2019	January 1, 2018
Funded Percentage	26.5%	47.3%	54.4%
Value of Assets	$100,749,879	$108,821,778	$123,284,423
Value of Liabilities	$380,689,486	$230,168,196	$226,702,438

For 2020, based on projected plan insolvency, the interest rate assumption was lowered to the ERISA Section 4044 interest rates that are issued by the PBGC. While this change in assumption increased the value of liabilities, it had no material impact on the projected plan insolvency date.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. The asset value for 2020 is the fair market value of assets. The values for 2019 and 2018 are “actuarial values”. Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

Plan Year Ending	**December 31, 2020**	**December 31, 2019**	**December 31, 2018**
Fair Market Value of Assets	$93,800,477	$100,749,879	$100,357,268

The December 31, 2020 fair market value of assets disclosed above is reported on an unaudited basis since this notice is required to be distributed before the normal completion time of the audit which is currently in progress.

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UNITED INDEPENDENT UNION – NEWSPAPER GUILD OF
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Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in critical and declining status in the Plan Year ending December 31, 2020 because the plan had a Funding Standard Account (FSA) accumulated funding deficiency and was projected to be unable to pay benefits within 19 succeeding plan years. The Plan is projected to be insolvent by the end of the 2025 Plan Year. Such insolvency may result in benefit reductions. In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan in November 2010. The Rehabilitation Plan includes the reduction or elimination of certain adjustable benefits for the Newspaper Guild participants who are employees or former employees of Philadelphia Newspapers (including any predecessor and its successor) for retirement dates effective on and after March 1, 2011. These changes include the elimination of the disability retirement benefit and the change in the early retirement subsidy from a 4% or 5% reduction per year that the early retirement date precedes the normal retirement date, as applicable based on the participants termination date, to a 6% reduction per year early. In addition, the actuarial equivalence factors for converting the lump sum supplemental (severance) benefit to a monthly annuity were amended March 1, 2011 to change from using corporate bond rates as the applicable interest rate to using 30-year Treasury Securities rates. Effective January 1, 2011, future benefit accruals for the United Independent Union participants were reduced from $56 per month to $28 per month for each dollar of hourly contribution.

You may obtain a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

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The Plan remains in critical and declining status for the plan year ending December 31, 2021 and separate notification of that status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 2,603. Of this number, 38 were current employees, 1,539 were retired and receiving benefits, and 1,026 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The Plan has a funding policy that provides that the Plan is funded by contributions made by participating employers pursuant to collective bargaining agreements with the Unions that represent the Plan's participants. The employer contributions, after accumulation with interest, and investment earnings are intended to be sufficient to pay the pension benefits as they come due. The contributions necessary to support the pension benefits are determined using reasonable actuarial assumptions. Both the contribution and benefit levels may be adjusted in light of developing Plan experience.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The Plan's Investment Policy is a comprehensive document that charges all investments to be in compliance with ERISA, as amended. Investment objectives, asset allocation, allowable investments, proxy voting procedures, policy restrictions and reporting requirements of plan professionals and investment managers are identified. This document is reviewed at least annually to reflect any changes or updates necessary to ensure the Plan is operated in a prudent manner.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	3%
2. U.S. Government securities	1%
3. Corporate debt instruments (other than employer securities):	
a. Preferred	
b. All other	15%
4. Corporate stocks (other than employer securities):	
a. Preferred	
b. Common	36%
5. Partnership/joint venture interests	
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	27%
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	
12. Value of interest in registered investment companies (e.g., mutual funds)	17%
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
a. Employer Securities	
b. Employer real property	
15. Buildings and other property used in plan operation	
16. Other	1%

For information about the Plan's investment in any of the following types of investments- common/ collective trusts, pooled separate accounts, or 103-12 investment entities – contact the plan administrator.

ANNUAL FUNDING NOTICE FOR UNITED INDEPENDENT UNION – NEWSPAPER GUILD OF GREATER PHILADELPHIA PENSION PLAN

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/prac/multiemployer. Please contact your employer or fund administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information about Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact:

Brian P. O'Hara, CEBS® Plan Administrator
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800-847-0902
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For identification purposes, the official plan number is 001, the plan sponsor's name is the Board of Trustees of United Independent Union – Newspaper Guild of Greater Philadelphia Pension Plan and the plan sponsor's employer identification number or "EIN" is 23-6405043.