Local 837 Health and Welfare
&
Pension Fund

12275 Townsend Road
Philadelphia, PA 19154
215 - 673-7337

Notice of Critical Status For

Teamsters Local 837 Pension Plan
EIN: 23-6527213
Plan No. 001

This is to inform you that on March 30, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, the plan is in critical status for the plan year beginning January 1, 2012. 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 the plan has an accumulated funding deficiency for the current 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 Third year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On December 1, 2010, you were notified that the plan reduced or eliminated adjustable benefits. On April 30, 2010, 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. 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 may only apply to participants and beneficiaries whose benefit commencement date is on or after April 30, 2010.

The Rehabilitation Period is scheduled to commence on January 1, 2013 and the Fund will begin to monitor scheduled progress in accordance with the law.

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:

- ☑ Sixty-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);
- ☑ Other similar benefits, rights, or features under the plan

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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 the Fund Office at (215) 673-7337 or 12275 Townsend Road, Philadelphia, PA 19154. You have a right to receive a copy of the rehabilitation plan from the plan.