

**NOTICE OF CRITICAL STATUS FOR 2014
FOR THE
LOCAL 138 PENSION TRUST FUND**

This is to inform you that on March 31, 2014 the actuary for the Local 138 Pension Trust Fund certified to the U.S. Department of the Treasury and to the Fund's sponsor, that the Fund is in critical status for its year beginning January 1, 2014 and ending December 31, 2014. 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 determined that the Fund is projected to have an accumulated funding deficiency within the next four plan years.

Rehabilitation Plan and Possible Reduction in Benefits: Federal law requires each pension fund in critical status to adopt a rehabilitation plan aimed at restoring its financial health. As a result, the Trustees adopted the Fund's Rehabilitation Plan on November 25, 2008 and also revised the Rehabilitation Plan in November 2010. (You have a right to receive a copy of the Rehabilitation Plan on request.)

The following changes have been made to the Fund: Effective January 1, 2009 the benefit formula was changed. Effective May 1, 2012, early retirement was eliminated for former participants of employers who no longer contributed to the Fund, and death benefits were limited to surviving spouses. And while in Critical Status, the Pension Fund is prohibited from paying pensions in a lump sum unless the payment is not greater than \$5,000. Notice of these changes were previously provided.

The law permits a pension fund in critical status to reduce, or even eliminate, benefits called "Adjustable Benefits" as part of a rehabilitation plan. If the Trustees of the Local 138 Pension Trust Fund 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 will not reduce the participant's basic accrued benefit payable at normal retirement. Reductions in Adjustable Benefits may apply to participants and beneficiaries whose benefit commencement date was on or after April 10, 2008.

Adjustable Benefits: The Fund offers the following Adjustable Benefits which may be reduced or eliminated, if the Participant is not in pay status as of April 10, 2008, as part of the Rehabilitation Plan: disability benefits, retirement-type subsidies and subsidized early retirement benefits.

Employer Surcharge: The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 Fund under the applicable collective bargaining agreement. A 5% surcharge was applicable in the initial critical year (2008), starting with contributions due on or after May 10, 2008. A 10% surcharge is applicable for each succeeding calendar year thereafter in which the Fund is in critical status. As a result, starting January 2009, contributing employers are paying a 10% surcharge which will remain in effect until the employer adopts a collective bargaining agreement that is consistent with the Rehabilitation Plan.

Where to Get More Information: For more information about this Notice, you may contact:

Board of Trustees
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