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INTERNATIONAL LONGSHOREMEN'S ASS'N.

LOCAL 1922 - 1/2062
PENSION FUND

1007 N. America Way, Suite 407, Miami, FL 33132



Suite 405

2014 AUG 28 11:10
ILAS/LOCAL 1922

August 21, 2014

Critical Status Notice for the ILA Local Union No. 1922 Pension Fund

Dear Pension Fund Participants, Participating Employers and ILA Local Union No. 1922:

Federal law requires pension plans like the Local Union No. 1922 Pension Fund ("the Plan") to be reviewed annually by an actuary who provides an opinion regarding the funded status of the plan. The Plan must annually update participants, participating employers and the union on the actuary's finding regarding the Plan's funded status. Enclosed is the annual update for the plan year that began May 1, 2014.

The Plan's actuary has determined that the Plan is projected to need additional employer contributions in order to maintain adequate funding levels. This means that the Plan is considered to be in critical status.

Because the Plan is in critical status, it must operate under certain restrictions. One of the limitations is that the Plan cannot pay certain levels of benefits, including any lump sum payments over \$5,000, while it is considered to be in critical status. In an effort to improve the Plan's funded status, the participating employers and union have adopted a "rehabilitation plan" consisting of revised benefit structures and revised employer contributions, which may reasonably be expected to enable the Plan to emerge from critical status.

Enclosed is the Critical Status Notice for the ILA Local Union No. 1922 Pension Fund along with a Spanish translation. The Critical Status Notice is required by law to be distributed to all participants, participating employers and the union.

Sincerely,

ILA Local Union 1922-1/2062 Pension Fund
Administrative Office

Notice of Critical Status For the ILA Local Union No. 1922 Pension Fund

This is to inform you that on July 28, 2014, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning May 1, 2014. 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 is critical based on the following criteria:

- 1) The plan has an accumulated funding deficiency for the current plan year.
- 2) Over the next three plan years, the plan is projected to have an accumulated funding deficiency for the 2015, 2016, and 2017 plan years.
- 3) The plan was in critical status last year and over the next 9 years the plan is projected to have an accumulated funding deficiency for the 2015 through 2020 plan years.

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 seventh 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 August 28, 2008, you were notified that as of August 28, 2008 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.

The trustees have adopted a rehabilitation plan, consisting of a revised benefit structure and revised employer contributions, which may reasonably be expected to enable the plan to emerge from critical status by the end of a 13-year rehabilitation period that began May 1, 2009 and ends on April 30, 2022. On April 9, 2012, you were notified of the following changes to the plan under the rehabilitation plan:

- **Reduction in Future Accrual Rate:** Effective May 1, 2012, the monthly benefit rate for credited service is reduced from \$32 to \$22 for mechanics and office staff and from \$32 to \$18.50 for truckers.
- **Change in Credited Service Schedule:** Effective May 1, 2012, the hours required to earn future Credited Service have been changed as shown on the schedule on page 2.

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 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 August 28, 2008.

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:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- 120-month payment guarantees.

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.

Credited Service Schedule

Hours Worked in Plan Years before May 1, 2012	Hours Worked in Plan Years after May 1, 2012	Credited Service
3,600 or more		2.0 years
3,420 or more but less than 3,600		1.9 years
3,240 or more but less than 3,420		1.8 years
3,060 or more but less than 3,240		1.7 years
2,880 or more but less than 3,060		1.6 years
2,700 or more but less than 2,880	3,600 or more	1.5 years
2,520 or more but less than 2,700	3,240 or more but less than 3,600	1.4 years
2,340 or more but less than 2,520	2,880 or more but less than 3,240	1.3 years
2,160 or more but less than 2,340	2,520 or more but less than 2,880	1.2 years
1,980 or more but less than 2,160	2,160 or more but less than 2,520	1.1 years
1,800 or more but less than 1,980	1,800 or more but less than 2,160	1.0 years
1,620 or more but less than 1,800	1,620 or more but less than 1,800	.900 year
1,440 or more but less than 1,620	1,440 or more but less than 1,620	.800 year
1,260 or more but less than 1,440	1,260 or more but less than 1,440	.700 year
1,080 or more but less than 1,260	1,080 or more but less than 1,260	.600 year
900 or more but less than 1,080	900 or more but less than 1,080	.500 year
720 or more but less than 900	720 or more but less than 900	.400 year
540 or more but less than 720	540 or more but less than 720	.300 year
360 or more but less than 540	360 or more but less than 540	.200 year
180 or more but less than 360	180 or more but less than 360	.100 year
Less than 180	Less than 180	.000 year

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the ILA Local Union No. 1922 Pension Fund at 305-371-4973 or 1007 North America Way, Suite 405, Miami, Florida 33132. You have a right to receive a copy of the rehabilitation plan.