



NYSA-PPGU PENSION FUND AND PLAN

889 BROADWAY, BAYONNE, NJ 07002-3032

TEL: (201) 243-0660
FAX: (201) 243-0662

10:03 AM 9-22-09

April 28, 2009

Dear Participant:

Enclosed you will find two Notices which the Pension Fund is required by the Pension Protection Act (PPA) to provide to you.

The first Notice is a Notice of Endangered Status. A similar Notice was provided to you during April of last year. The second Notice is the Annual Funding Notice which was provided to you in September, 2008.

In future years you will receive these two Notices in April unless there is a change in the Federal Pension Laws.

Sincerely,

The Board of Trustees

Encs.



NYSA-PPGU PENSION FUND AND PLAN

889 BROADWAY, BAYONNE, NJ 07002-3032

TEL: (201) 243-0660

FAX: (201) 243-0662

April 28, 2009

Notice of Endangered Status For NYSA-PPGU Pension Fund and Plan

To: All Participants, Beneficiaries, Contributing Employers and Port Police & Guards Union,
Local 1456

This Notice is required to be sent to you as a result of a Federal law known as the Pension Protection Act of 2006 (PPA) which became effective as to this Fund during the latter part of 2007.

We understand that legally required notices, like this one, may create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide its participants and their eligible beneficiaries with secure retirement benefits. Indeed, the parties to the Collective Bargaining Agreement (CBA) and the Board of Trustees are committed to make sufficient contributions to pay all benefits when due and to meet the annual minimum funding required under law.

PPA Requirements

The PPA has added requirements for measuring the financial health of multiemployer plans such as ours. Starting with the 2008 Plan Year, the PPA required that a pension fund's actuary determine annually the fund's status under these new rules and to certify that status to the IRS and the trustees (plan sponsor). It is important to note that if the fund's status for a plan year is "endangered" ("yellow" zone) or "critical" ("red" zone), the trustees *must* notify all plan participants in writing of this certification, as well as take corrective action to improve the financial health of the plan.

Endangered Status

This letter will serve as the Notice that our Pension Fund's actuary recently determined and certified that the Fund is in "endangered" status for the 2009 Plan Year. This

(Over Please)

determination was made because, based on the PPA's new funding measures, the Fund is currently less than 80% funded. *"Endangered" is a label that the law requires us to use.*

The law also mandates that any pension fund in "endangered" ("yellow" zone) status must adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to significantly increase a plan's funding percentage and to provide that contributions will be greater than the minimum required under the law. A FIP was developed in 2008 and is described below.

Funding Improvement Plan

The CBA between New York Shipping Association, Inc. and Port Police & Guards Union, Local 1456, for the period from January 1, 2008 through December 30, 2010, provides sufficient annual contributions to the Pension Fund to fund the benefits that the Participants are earning and to pay the Fund's operating costs. We expect that the Fund's funding percentage will improve in line with the requirements of the law.

The Board of Trustees does not expect that any other changes will be needed to meet the law's requirement for a FIP while the current CBA is in effect. Please note that the law mandates that our Plan's funding status be reviewed and certified annually and notices like this one be sent each year. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control which we will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers.

In the event you have questions or would like additional information, you may contact the Board of Trustees, in writing, or Mr. Raymond T. Gorski, Executive Director, at 201-243-0660, 889 Broadway, Bayonne, New Jersey 07002-3032.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
U.S. Pension Benefit Guaranty Corporation