

Notice of Critical Status

For Local 18 International Union of Police & Protection Employees-
ISOPGU Pension Fund and Plan
411 Hempstead Avenue – Suite 101
W. Hempstead, NY 11552

Plan No. 004 EIN 13-6266867

This is to inform you that on March 28, 2008, the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status for the Plan Year beginning January 1, 2008. 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 and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Trustees of the Plan determine that 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 April 25, 2008. You should know that whether or not the Plan reduces adjustable benefits in the future, effective as of April 25, 2008, the Plan is not permitted to pay lump sum benefits. You have a right to receive a copy of the rehabilitation plan from the Plan.

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); and
Early retirement benefit or retirement-type subsidy.

Employer Surcharge

The Federal 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 Board of Trustees by calling, (877) Local 18 (562-2518) or writing to 411 Hempstead Avenue – Suite 101, West Hempstead, NY 11552.