St. Louis Graphic Arts Pension Fund

1544 Woodlake Drive
Chesterfield, Missouri 63017-5769

PENSION ADMINISTRATORS
& CONSULTANTS, INC.
Administrator

Phone: (314) 878-1544
Fax: (314) 878-7508
E-Mail: PENSNADMIN@aol.com

December 10, 2008

Pension Benefit Guaranty Corporation
Multiemployer Program Division
1200 K Street, NW, Suite 930
Washington, D.C. 20005

United States Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave. NW
Washington, DC 20210

Re: Critical Status Notice

Dear Madam or Sir:

Enclosed is a copy of the Notices of Critical Status and Significant Reduction in Benefits (204(h) Notice) for the St. Louis Graphic Arts Pension Fund, Employer ID #43-6055751.

We show we sent in a copy of this Notice on October 10, 2008. However, when we checked the website of the Critical Status Notices (www.dol.gov/ebsa/criticalstatusnotices.html), we did not see one listed for the St. Louis Graphic Arts Pension Fund. We left numerous telephone messages regarding this, but have not received any phone call back. Therefore, we are sending in another copy.

Should you have any questions, please call.

Sincerely yours,

ST. LOUIS GRAPHIC ARTS PENSION FUND

Douglas V Westall

Douglas V. Westall
Administrator

Enclosure: Notice

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Date: October 10, 2008

Notices of Critical Status and Significant Reduction in Benefits (204(h) Notice) For St. Louis Graphic Arts Pension Plan

This is Notice to inform you that on September 29, 2008, the Plan Actuary certified to the Board of Trustees of the St. Louis Graphic Arts Pension Plan (Pension Plan) and the United States Department of the Treasury (the Internal Revenue Service) that the Pension Plan is in critical status for the Plan Year beginning July 1, 2008. This is also Notice of a significant reduction in benefits (204(h) Notice). Federal law requires that you receive this Notice.

This Notice is being sent to all Participants, Beneficiaries and Alternative Payees of the Pension Plan, all contributing employers, Local 6-505 of the Graphic Communications Conference of the International Brotherhood of Teamsters, the Pension Benefit Guaranty Corporation, and the United States Department of Labor.

Critical Status

The Pension Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's Actuary determined that the Pension Plan does not have an accumulated funding deficiency in the 2008-2009 plan year but it is **projected to have** an accumulated funding deficiency within the next 4 years, not taking into account any extension of amortization periods under 431(d) of the Internal Revenue Code. **Based on this information, the Plan Actuary has certified to the Board of Trustees and the Internal Revenue Service that the St. Louis Graphic Arts Pension Fund is in critical status for the 2008-2009 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 first plan year that the Pension 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. By this notice dated October 10, 2008, you are being notified that the Board of Trustees have eliminated from the Pension Plan:

1. Adjustable regular early retirement benefits for terminated vested Participants; and,

2. Generally, lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity for both terminated vested and active

participants. The lump sum death benefit for non-married participants and the special early retirement benefit are eliminated for all participants.

The Trustees anticipate that no later than May 29, 2009, a determination will be made by the Board of Trustees that adjustable [subsidized] early retirement benefits for active Participants also will be eliminated. The Trustees anticipate that any subsidized early retirement benefits which started after October 1, 2008 for active Participants will be reduced no later than the July 1, 2009 benefit payment to the monthly amount of the Participant's unsubsidized early retirement. There will be an additional notice if the subsidized early retirement benefits for the active Participants are reduced as anticipated by the Board of Trustees. Any reduction of adjustable benefits will not reduce the level of a Participant's basic benefit payable at Normal Retirement Age (65).

The reductions in early retirement adjustable benefits may only apply to Participants and Beneficiaries whose benefit commencement date is after October 1, 2008. Also, the November 1, 2008 benefit payment is not affected by this Notice.

Adjustable Benefits

The Pension Plan offers the following adjustable benefits which have been or may be reduced or eliminated as part of any rehabilitation plan the Board of Trustees may adopt.

1. Sixty-month (5 years) payment guarantees with no actuarial charge. As described in more detail below, the Pension Plan will continue to provide the 5 year certain and life annuity as an optional form of benefit but will reduce the benefit for the full additional actuarial cost of this option.

2. Early retirement benefit subsidy or retirement-type subsidy. As described below, subsidized regular early retirement benefits are eliminated for the terminated vested participants and the Trustees anticipate that no later than May 2009, such benefits will be eliminated for the active participants.

3. Benefit payment options other than a qualified joint-and survivor annuity (QJSA). As explained below, for all participants, the Pension Plan will no longer provide the special early retirement benefit and will no longer provide a lump sum (commuted) payment of the 5 and 10 year certain life annuities.

Employer Surcharge

The law requires that all contributing employers pay to the Pension 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. The surcharge will be due for contributions earned starting December 1, 2008 and due by January 20, 2009.

Notice of Significant Reduction in Benefits (204(h) Notice)

For pension benefits that commenced after October 1, 2008, but not including the November 1, 2008 benefit payment, the following Pension Plan benefits will be eliminated or changed:

1. **Subsidized regular early retirement**.

A. **Current Plan provisions**.

Under the Pension Plan if a Participant had attained age 55 and earned 5 years of Credited Service, a Participant was eligible for early retirement benefits. **For early retirement benefits which commenced by October 1, 2008**, if a Participant retired between ages 55 and 64 and 11 months, then the Participant's monthly benefit was the larger of (a) or (b):

(a) a monthly benefit resulting from multiplying:

(1) The monthly pension benefits due to the Participant at Normal Retirement Age considering Employer contributions credited on the Participant's behalf prior to March 1, 2003; and

(2) The pension benefit reduction factor.

(i) If the Participant retires between ages 55 and 59½, there is an "Actuarial Reduction" for each year prior to age 65. The table of factors is rather complicated. To obtain a copy of the table, contact the Plan Administrator.

In other words, if the Participant retires at age 55 for each $100 a month Accumulated Pension (due to the Participant at age 65) the Participant's Actuarial Equivalent Pension at age 55 would be around $38; and if the Participant retired at age 59, the Participant's Actuarial Equivalent would be around $52.

(ii) If the Participant retired between ages 59½ through 64 and 11 months, the reduction will be 10% rather than the full Actuarial Reduction (the factor is 0.90).

(b) a monthly benefit resulting from multiplying:

(1) The monthly pension benefits due to the Participant at Normal Retirement Age for all Employer contributions credited on the Participant's behalf; and

(2) The pension benefit reduction factor. If the Participant retires between ages 59 ½ to 64 and 11 months, then the pension reduction factor will be 8% per year. In other words, if the Participant retires at age 61, for each $100 a month Accumulated Pension (due to the Participant at

age 65), the Participant's Actuarial Equivalent Pension at age 61 would be $68 (a 32% reduction). If the Participant retires between ages 55 and 59½, there is an additional "Actuarial Reduction" for each year prior to age 59 ½ . The table of factors is rather complicated. To obtain a copy of the table, contact the Plan Administrator.

B. **Changes in regular early retirement Plan provisions for terminated vested Participants**.

For regular early retirement benefits which commenced after October 1, 2008, but not including the November 1, 2008, benefit payment, the first option [Option (a)] is eliminated for Participants who meet the Plan's definition of terminated vested Participant. Your participation in the Plan terminates at the end of any Plan Year in which you have less than 500 Service Hours. As a result of this Plan Amendment, regular early retirement benefits for terminated vested Participants are subject to a full actuarial reduction to take into account the early start date of benefits before Normal Retirement Age which is 65. The Trustees anticipate that this reduction also will go into effect for the active Participants no later than May 2009.

Example: A terminated Participant is eligible for regular early retirement and has earned a normal form of benefit of $1000 per month payable at Normal Retirement Age of 65. The Participant retires early at age 60. Assume that all Employer contributions were earned before March 1, 2003. Before the Plan Amendment, the terminated Participant's early retirement benefit at age 60 is 90% of $1,000 [$900 per month]. After the Plan Amendment, the early retirement benefit is reduced by 8% for each of the five years that the Participant retired early before age 65 for a early retirement benefit reduction of 40%. After the Plan Amendment, the Participant's early retirement benefit in the normal form is $600 [$1,000 less 40% of $1000 [$400] equals $600].

2. **Special Early Retirement Benefits**.

A. **Current Plan Provision**.

Under the Pension Plan if a Participant met the eligibility requirements for special early retirement [including a retirement between ages 57 and before attaining age 60], **for special early retirement benefits which commenced by October 1, 2008**, then the Participant's monthly special early retirement benefits were the larger of (a) or (b):

(a) a monthly benefit resulting from multiplying:

(1) The monthly pension benefits due to the Participant at Normal Retirement Age considering Employer contributions credited on the Participant's behalf prior to March 1, 2003; and

(2) The appropriate Special Early Retirement factors.

(b) a monthly benefit resulting from multiplying:

(1) The monthly pension benefits due to the Participant at Normal Retirement Age for all Employer contributions credited on the Participant's behalf; and

(2) 66.67% (2/3) of the appropriate Special Early Retirement factors.

The formulas for the Special Early Retirement Benefit are based on a series of factors which are applicable to the Participant's Accrued Benefit amount. The tables of factors are rather complicated. To obtain a copy of the applicable table, contact the Plan Administrator.

B. **Change in Plan provisions for Special Early Retirement Benefits**.

For both active and terminated vested Participants who start early retirement benefits after October 1, 2008, Special Early Retirement Benefits are eliminated.

3. **Lump sum death benefits for non-married Participants**.

A. **Current Plan provisions on lump sum death benefits for non-married Participants**.

Generally, if you are unmarried and an active Participant or a terminated vested Participant with 2 or more Years of Credited Service, then a Death Benefit will be payable to your beneficiary. The benefit will be a Lump Sum payment of 100% + 3% for each Year of Service of the vested percentage of Employer contributions made on your behalf. For Participants who terminated prior to September 10, 1987, the Lump Sum Payment was equal to 110% of Employer contributions made on your behalf.

B. **Change in Plan provisions on lump sum death benefits for non-married Participants**.

For deaths occurring after October 10, 2008, the Pension Plan no longer provides a lump sum death benefit for non-married Participants. This change applies to both active and terminated Participants.

Example: Under the current Plan, a fully vested Participant dies pre-retirement in September 2008 and has a balance of $20,000 of accumulated Employer contributions plus 3% for 15 years of Credited Service. The Participant's named beneficiaries will receive a death benefit totaling $29,000 [$20,000 times 100% plus 3% for each Year of Credited Service (3% times 15 years = 45% + 100% = 145%) equals $29,000]. Under the Plan Amendment, assume the same non-married Participant dies in November 2008. The Participant's beneficiaries will not receive a death benefit.

4. **Five year certain and life normal form of benefit**.

A. **Current Plan provisions**.

Under the current Plan, the Normal Form of Benefit for a non-married Participant is a five year certain and life annuity. A married Participant may elect the Normal Form of Benefit with the consent of the Participant's spouse. The Pension Plan did not make an actuarial adjustment for the cost of the five year certain feature.

B. **Change in Plan provisions on five year certain and life**.

For retirement benefits starting after October 1, 2008, the Normal Form of Benefit for a non-married Participant [which also may be elected by a married Participant with the consent of the Participant's spouse] is a life annuity without the five year certain feature. The five year certain and life annuity has been changed to a benefit option which will result in an actuarial adjustment for the value of this additional feature [the five year certain guarantee of benefit payments]. This change applies to both active and terminated Participants.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office c/o Pension Administration and Consultants, 1544 Woodlake Drive, Chesterfield, Missouri 63017, Telephone: 314 878-1544, e-mail: PENSNADMIN@aol.com. When it is approved by the Board of Trustees, you will have a right to receive a copy of the rehabilitation plan from the Plan.

Please keep a copy of these Notices with your Summary Plan Description.

cc United States Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave., NW
Washington, D.C. 20210

Pension Benefit Guaranty Corporation
Multiemployer Program Division
1200 K Street, NW, Suite 930
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