

MILLWRIGHTS & MACHINERY ERECTORS LOCAL UNION NO. 1545 PENSION FUND

Fund Office: GEMGroup, Administrator, Brandywine Corporate Center, 650 Naamans Road, Suite 303, Claymont, DE 19703
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700988-01267

Notice of Critical Status For Millwrights & Machinery Erectors Local No. 1545 Pension Plan

This is to inform you that on July 25, 2008, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Millwrights & Machinery Erectors Local No. 1545 Pension Plan is in critical status for the plan year beginning May 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 for purposes of this calculation only. The Plan received an extension of amortization bases plan effective May 1, 2003 from the IRS under Code Section 431(d), which remains in effect and prevents a violation of minimum funding rules and associated charges. However, this extension is not taken into account in determining whether the plan is in critical status.

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 (other than a repeal of a recent benefit increase, as described below) 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 the date of this notice. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of the date of this notice, 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.

Adjustable Benefits

The plan offers the following adjustable benefits [with a checked box before the item] which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt.

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the plan {provide identification}

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.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees, c/o GEMGroup, L.P., at 650 Naamans Road - Ste. 303, Claymont, DE 19703, 302-798-6801. You have a right to receive a copy of the rehabilitation plan from the plan.