

# **Notice of Critical Status**

## **For the Printing Industry and Union Consolidated Pension Plan**

This is to inform you that on April 3, 2008 the plan enrolled actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the above Plan is in critical status for the plan year beginning January 5, 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 enrolled actuary has determined that:

- The Plan's funded percentage for the 2008 plan year is less than 65%, and
- The sum of the fair market value of its current assets plus the present value of expected employer contributions through January 4, 2015 is less than the present value of all benefits projected to be payable (including the Plan's administrative costs) through January 4, 2015.

### **Rehabilitation Plan And Possibility of a 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 May 3, 2008 (the date notice was provided for the first plan year in which the plan is in critical status). But you should know that whether or not the plan reduces adjustable benefits in the future, effective as May 3, 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.

### **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 subsidy.

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**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 to 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 Plan Administrator at the address, phone number or email shown below. You have a right to receive a copy of the rehabilitation plan from the Plan.

Plan Administrator	Board of Trustees of the Printing Industry and Union Consolidated Pension Plan c/o Printing Industry Association of Western PA 212 Ninth Street – Suite 500 Pittsburgh, PA 15222
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