

Greater Cleveland Moving Picture Projector Operator's Pension Fund

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April 30, 2010

SECOND UPDATED NOTICE OF FUND ACTUARY'S CERTIFICATION OF CRITICAL STATUS OF THE GREATER CLEVELAND MOVING PICTURE PROJECTOR OPERATORS PENSION PLAN UNDER THE PENSION PROTECTION ACT OF 2006 AS OF APRIL 30, 2010

Dear Fund Participants, Fund Participating Employers, Local Union No. 160, Fund Retirees and Fund Beneficiaries:

The purpose of this Second Updated Notice is to update the April 30, 2009 Updated Notice of the Fund Actuary's Certification of Critical Status of the Greater Cleveland Moving Picture Projector Operators Pension Plan under the Pension Protection Act of 2006.

Impact of the Pension Protection Act of 2006 on the Greater Cleveland Moving Picture Projector Operators Pension Plan

Prior to the enactment of the Pension Protection Act of 2006 ("the Act") in August, 2006, the Board of Trustees worked with the Funds actuarial consultant, The Segal Company, and other Fund Professionals to take any and all steps required to maintain pension benefits. Beginning in 2008 and continuing through April 30, 2010, the provisions of the Act that apply to multiemployer Taft-Hartley plans like the Greater Cleveland Moving Picture Project Operators Pension Plan imposed new obligations which are outlined below. These obligations are required by the Act and are the direct result of the Critical Status actuarial certification of the Plan performed by The Segal Company and reviewed and approved by the Board of Trustees. Please read this Second Updated Notice carefully and address any questions you may have in writing to the Board of Trustees at the address of the Fund.

Continuing Certification of the Plan as in Critical Status

March 2008 and March 31, 2010 Certification

Beginning on March 28, 2008, The Segal Company issued an actuarial certification that the Greater Cleveland Moving Picture Projector Operators Pension Plan is in "Critical Status" as that term is defined by the Act, effective with the Plan Year commencing January 1, 2008. On March 31, 2010, The Segal Company again issued an actuarial certification that the Greater Cleveland Moving Picture Projector Operators Pension Plan remains in "Critical Status" as that term is

April 30, 2010

Page 2

defined by the Act, as of January 1, 2010. Beginning with the passage of the Act in 2006 up to and continuing through the date of this Second Updated Notice, The Board of Trustees, together with The Segal Company, have diligently reviewed this actuarial certification and its underlying assumptions and are taking all actions required by the Act in order to maintain the solvency of the Plan on a going forward basis. This Second Updated Notice of Critical Status is required, pursuant to the provisions of the Act, to be sent to all affected individuals and entities informing them of the Critical Status of the Plan for the Plan Year beginning January 1, 2008 and continuing through the date of this Second Updated Notice.

March 31, 2010 Certification

On March 31, 2010, The Segal Company issued an actuarial certification that the Cleveland Moving Picture Projector Operators Local 160 Pension remains in "Critical Status" as that term is defined by the Act, effective with the Plan Year commencing January 1, 2010. The reasons for this status are as follows:

- (1) The Plan is projected to have an accumulated funding deficiency for the 2011 plan year and subsequent years;
- (2) The sum of the Plan's normal cost and interest on the unfunded benefits for the current plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next two plan years, the Plan is projected to have an accumulated fund deficiency for the 2011 plan year and subsequent years; and
- (3) The Plan was in critical status last year and over the next nine (9) years the Plan is projected to have accumulated funding deficiency for the 2011 plan year and subsequent years.

The Board of Trustees, together with The Segal Company, have continued to diligently review the January 1, 2010 actuarial certification and its underlying assumptions and are continuing to take all action required by the Act in order to maintain the solvency of the Plan on a going forward basis.

Pursuant to the provisions of The Worker, Retiree, and Employer Recovery Act of 2008, Section 204, the Trustees elected to temporarily freeze the Plan's funded status and the content of the Rehabilitation Plan, effective for the 2009 plan year. This Second Updated Notice of Critical Status is required, as it was last year, pursuant to the provisions of the Act, to be sent to all affected individuals and entities informing them of the continued Critical Status of the Plan for the Plan Year beginning January 1, 2010.

Continuing Notification Requirement/Establishment of Rehabilitation Plan due to Critical Status Certification

In addition to this Notification to affected individuals and entities, the Act requires that the Board of Trustees of the Plan adopted a Rehabilitation Plan designed to stabilize the Plan's finances. In addition to possible reduction in future rates of benefit accrual, to bring the Plan's assets and

April 30, 2010

Page 3

liabilities into better balance, the Act requires that the Board of Trustees adopt a Rehabilitation Plan that may include reduction or elimination of “adjustable benefits” a category that includes all or some of the following:

1. Benefits, rights and features under the Plan, including pre-retirement lump sum death benefits, disability benefits not yet in pay status and similar benefits; and
2. Any early retirement benefit or retirement-type subsidy and any benefit payment option, including the post retirement lump sum benefit, other than the 50% qualified joint and survivor annuity; and
3. Any benefit increase that would not be eligible for the PBGC guarantee on the first day of the initial critical year (January 1, 2008) because that increase was adopted (or, if later took effect) less than 60 months before such day.

It is important to remember that the Act provides that such reduction may apply to Participants and Beneficiaries whose benefit commencement dates are on or after the date of the original Notice. The Rehabilitation Plan cannot reduce the accrued benefit payable at Normal Retirement Age as a single life or qualified joint and survivor annuity except as described in (3) above. Benefits for pensioners and beneficiaries in pay status on April 23, 2008 will not be affected. The Trustees have made no changes to the Rehabilitation Plan since the original Notice was issued on April 23, 2008.

Continuing Impact on Employers, Assessment of Surcharges on Contributions

The Board of Trustees adopted a Rehabilitation Plan that must be negotiated for collective bargaining agreements on or after the date the Rehabilitation Plan was made available. The adoption of the Rehabilitation Plan for the Greater Cleveland Moving Picture Projector Operators Pension Plan consists of two Schedules which address both benefit changes and contribution requirements and were finalized no later than November 25, 2008 and were provided to the bargaining parties within 30 days of adoption. Finalized details of the Rehabilitation Plan and Schedules were provided to you and to the bargaining parties. Until the Rehabilitation Plan is negotiated, benefits will be governed by the existing collective bargaining agreements.

The Act also requires, due to the Critical Status Certification, that beginning thirty (30) days from the date of the April 23, 2008 Notice; (May 23, 2008), surcharges will automatically be imposed on contributions payable under the current collective bargaining agreements until such time as one of the Schedules in the Rehabilitation Plan has been agreed to and implemented. This surcharge will be effective for contributions based upon employment as of the date of this Notice. Also pursuant to the Act the amount of the surcharge will be Five Percent (5%) of contributions required under a collective bargaining agreement through December 31, 2008 and the amount of the surcharge will automatically increase to Ten Percent (10%) of contribution required under a collective bargaining agreement on or after January 1, 2009. The contribution surcharge will cease at such time as the employer has agreed to one of the Rehabilitation Plan

April 30, 2010

Page 4

Schedules and has begun contributing in accordance with it. Specific information concerning these surcharges was sent to each employer in a separate mailing. Pursuant to the Act, these surcharges will be disregarded in determining benefit amounts and potential withdrawal liability.

As of April 30, 2010, the Board of Trustees has complied with all the surcharge notification and collection obligations imposed by the Act. As of April 30, 2010 none of the collective bargaining agreements have been modified to adopt either of the Rehabilitation Plan Schedules.

Continuing Additional Notification Requirement

The Act also requires that the Board of Trustees provide this Notice to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

As noted above, questions or comments regarding this Notice should be addressed in writing to the Board of Trustees at the address below:

Mr. John Galinac
Fund Chairman and Fund Administrator
Greater Cleveland Moving Picture Projector Operators Pension Plan
8358 Munson Road
Suite 104
Mentor, OH 44060

The Board of Trustees
Greater Cleveland Moving Picture Projector Operators Pension Plan

Cc: The Segal Company
Fund Counsel