



# **UFCW LOCAL 1245**

**United Food & Commercial Workers Union • AFL-CIO**

## **HEALTH • PENSION • SEVERANCE PLANS**

**VINCENT J. DeVITO**  
Chairman-Board of Trustees

### **Notice of Critical Status for the 2012 Plan Year for Local 1245 Labor-Management Pension Plan**

This is to inform you that on March 30, 2012 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees (the "Trustees"), that the Local 1245 Labor-Management Pension Plan ("Plan") continues to be in critical status for the plan year beginning January 1, 2012. Federal law requires that you receive this Notice.

#### **Critical Status**

A plan continues to be in critical status if it was in critical status in the previous plan year and a funding deficiency is projected within ten years. The Plan is considered to be in critical status for the plan year beginning January 1, 2012 because the Plan was in critical status for the plan year beginning January 1, 2011 and the Plan's actuary has projected that a funding deficiency will occur on December 31, 2016.

#### **Rehabilitation Plan**

Federal law requires pension plans in critical status to adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. The Board of Trustees adopted a Rehabilitation Plan on October 26, 2009, which provides for contribution increases sufficient for the Plan to emerge from critical status within 13 years without any benefit reductions. Each year the Trustees will review the progress of the Plan's funding status to determine whether the Plan remains in critical status. If necessary, the Trustees will modify the Rehabilitation Plan to reflect any changed circumstances.

#### **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 was implemented on June 1, 2009 and a 10% surcharge was implemented on January 1, 2010. These surcharges cease to apply to any employer once its Collective Bargaining Agreement is amended to comply with the Rehabilitation Plan. Since all contributing employers are in compliance with the Rehabilitation Plan, the surcharge is no longer applicable.

#### **Where to Get More Information**

For more information about this Notice, you may contact the Plan Administrator, Benefit Plan Administration of NJ, Inc., P.O. Box 426, 390 Main Road, Montville, NJ 07045 at (973) 299-6700 or 1-800-451-8391. You have a right to receive a copy of the Rehabilitation Plan. You may write the Plan Administrator at the above address to request a copy.