

**BAKERY & SALES DRIVERS LOCAL UNION 33**  
**INDUSTRY WELFARE FUND – INDUSTRY PENSION FUND**

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December 26, 2013

**Notice of Critical Status**

**For**

**Bakery & Sales Drivers Local Union No. 33 Industry Pension Fund (“Plan”)**

**To: All Participants, Beneficiaries, Participating Unions and Contributing Employers**

This is to inform you that on November 27, 2013, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the Plan is in Critical Status (the “red zone”) for the Plan year beginning September 1, 2013. Federal law requires that you receive this Notice.

**Critical Status**

The Plan is considered to be in Critical Status (that is, in the “red zone”) because the Plan's actuary determined that the Plan has an accumulated funding deficiency for Plan year beginning September 1, 2013. The Plan's actuary previously certified that the Plan was in Critical Status in the previous two years (the Plan years that started on September 1, 2011 and September 1, 2012) for which you received a notice. For each of the three previous Plan years (the Plan year that started on September 1, 2008, the Plan year that started on September 1, 2009 and the Plan year that started on September 1, 2010), the Plan's actuary certified that the Plan was in Seriously Endangered Status because the funded percentage was less than 80% and there was a projected funding deficiency in the Funding Standard Account within seven years.

**Rehabilitation Plan and Reduction in Benefits**

As required under federal law for pension plans in Critical Status, on March 12, 2012, the Board of Trustees adopted a Rehabilitation Plan aimed at restoring the financial health of the Plan. This Rehabilitation Plan replaces the Funding Improvement Plan that had been in effect because the Plan had previously been in Seriously Endangered Status.

The Rehabilitation Plan generally applies to active participants working in covered employment whose annuity starting date is on or after September 1, 2012, and to terminated vested participants whose annuity starting date is on or after September 1, 2012 . The Rehabilitation Plan has two Schedules of Benefits, a Preferred Schedule and a Default Schedule, either of which may be adopted by the bargaining parties for active participants whose annuity starting date is on or after September 1, 2012.

(Note, that if your employer withdraws or withdrew from the Plan within three years after adopting the Preferred Schedule, the Default Schedule applies after the date of withdrawal. In addition, if your employer withdraws from the Fund without adopting a Schedule, your employer will be treated as if it had adopted the Default Schedule.) The Default Schedule applies to terminated vested participants whose annuity starting date is on or after September 1, 2012. Under both Schedules, your employer is required to pay increased contributions to the Fund. Under the Default Schedule, certain features of benefits you have already earned are also eliminated; these features are called “adjustable benefits” and are detailed below. (The Plan has been “frozen” since January 1, 2007, meaning that no additional pension benefits accrue on or after that date.) Any reduction of adjustable benefits will not reduce the level of your basic benefit already earned that is payable at Normal Retirement Age.

On July 27, 2012, you received a separate notification identifying and explaining the effect of the reductions in adjustable benefits if the Default Schedule of the Rehabilitation Plan applies to you.

### **Adjustable Benefits**

The Plan offers the following adjustable benefits, which as the law permits, are eliminated if you are subject to the Default Schedule of the Rehabilitation Plan.

- Early Retirement Pension
- Service 90 Pension
- Service 85 Pension
- Death Benefit (Lump Sum Death Benefit and Thirty-Six Month Payment Benefit)
- The 36-month payment guarantee for the normal benefit form for unmarried participants.

In addition, the Disability Pension is eliminated for terminated vested participants whose annuity starting date is on or after September 1, 2012.

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

For more information about this Notice, you may contact:

Bakery & Sales Drivers Local Union No. 33 Industry Pension Fund  
c/o Benefit Administration Corporation  
9411 Philadelphia Road - Suite S  
Baltimore, MD 21237  
1(800) 922-0602

The Plan has sent a copy of the Rehabilitation Plan Schedules to contributing employers and IBT Local 639, and a summary to participants and beneficiaries.