BAKERY DRIVERS LOCAL 550 AND INDUSTRY

550 HEALTH BENEFIT AND PENSION FUND

99 TULIP AVENUE • SUITE 402 • FLORAL PARK, NY 11001 • (516) 328-0072
FAX (516) 328-0083

February 26, 2015

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Avenue
NW Washington, DC 20210

Re: Bakery Drivers Local 550 and Industry Pension Fund
Plan No. 001; EIN 13-6626195

Dear Sir/Madam:

Enclosed is a copy of the Fund's Notice of Critical Status for the year ended October 31, 2014.

Sincerely,

Camille Luisi

Camille Luisi
Fund Administrator

Encl.

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NOTICE OF CRITICAL STATUS FOR THE BAKERY DRIVERS LOCAL 550 AND INDUSTRY PENSION FUND

This is to inform you that on January 29, 2015, the Fund's actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees, that the Fund is in critical status for its plan year beginning November 1, 2013. Federal law requires that you receive this notice.

Critical Status: The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the sum of the Fund'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 for active participants; the funded percentage of the Fund is 65% or less; the plan is projected to have an accumulated funding deficiency for the current plan year and for each plan year through at least the year beginning November 1, 2020.

Rehabilitation Plan: Federal law requires pension funds in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fifth year the Fund has been in critical status. The law permits pension funds to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On September 25, 2009, you were notified that the Fund reduced or eliminated certain adjustable benefits. On February 28, 2009, you were notified that as of that date, the Fund 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. If the Fund Trustees determine that further 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) 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 February 28, 2009.

Adjustable Benefits: The Fund offers the following adjustable benefits which may be further reduced or eliminated as part of any updated rehabilitation plan the Fund may adopt: post-retirement death benefits; 36- and 60-month payment guarantees; disability benefits (if not yet in pay status); early retirement benefits or retirement-type subsidies; 20-, 25-, 30- and 35-Year Service Pensions; Golden 86 and Golden 91 Pensions; benefit payment options other than a qualified joint and survivor annuity (QJSA); and other similar benefits, rights and features under the plan, including 13th, 14th and 15th checks.

Employer Surcharge: The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 Fund 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 Fund is in critical status. The surcharge ends for an employer once its collective bargaining agreement incorporates one of the options of the Fund's rehabilitation plan.

Where to Get More Information: For more information about this Notice, you may contact Camille Luisi, Fund Manager, 99 Tulip Avenue Suite 402, Floral Park, New York 11001, (516) 328-0072. You have a right to receive a copy of the rehabilitation plan from the Fund.