

CHICAGO NEWSPAPER PUBLISHERS DRIVERS' UNION PENSION PLAN

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Notice of Plan Status

April 25, 2014

To all Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. Many of the Act's provisions relate to funding, which, in simplest terms, refers to how much money a pension plan has coming in, going out, and in reserve (or "in the bank") for the future. The Act's provisions are intended to create more discipline to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in the yellow ("seriously endangered" or "endangered") or red ("critical") zones must notify all plan participants, beneficiaries, unions, and contributing employers of the plan's status, and must take corrective action to improve the plan's funding.

Plan's Status – Red Zone

On March 27, 2014, the Pension Fund's actuary certified that the Pension Plan is in the red "critical" zone for the Plan Year beginning January 1, 2014. This red zone certification is based on the actuary's determination that the Pension Plan is projected to have a funding deficiency within the four plan years beginning January 1, 2014. This means that contributions are not expected to be high enough to meet government standards for funding both past and future benefits. This does not mean that the Fund will have a problem paying benefits to current pensioners and beneficiaries in the near future. It means that, if effective measures to improve funding are not implemented, the Fund may have a problem paying benefits years in the future. The Trustees have already taken some corrective action, as explained below.

Rehabilitation Plan

The Act requires that a plan in the red "critical" zone adopt a Rehabilitation Plan that will enable the plan to improve its funded position to meet statutory funding requirements over time. The Trustees have adopted a Rehabilitation Plan, which went into effect as of January 1, 2011. Employers and the Union have been notified of the contribution requirements of the Rehabilitation Plan. Those requirements will apply as of the employer's next renewal of a collective bargaining agreement on or after May 1, 2010. Plan participants have also been advised of the benefit changes that have been implemented as a result of the Rehabilitation Plan.

36-6019539

Employer Surcharge

The Act requires that all contributing employers pay a contribution surcharge to the Plan to help correct the Plan's financial situation. The amount of the surcharge for the calendar year 2013 is 10% of the amount the employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. Once an employer has begun contributing under a collective bargaining agreement that implements the Rehabilitation Plan, the contribution surcharge ends.

What's Next

We understand that legally required notices like this one can create concern about the Plan's future. Please be assured that the Trustees will continue to work with the Plan's actuaries and consultants to monitor the Plan's condition. The Trustees are committed to complying with all of the funding requirements under applicable law. However, since the Pension Plan is influenced by economic and financial variables beyond our control (such as stock market volatility and changes in the Plan's population of actively working employees), unexpected developments can affect the Plan's status and any future corrective actions needed.

The Trustees are required to review the progress of the Rehabilitation Plan annually and update the Rehabilitation Plan when necessary. If the Rehabilitation Plan is updated, any benefit, contribution, or other Plan changes will be communicated to all affected individuals and parties before the changes are implemented. For more information about this notice or the Pension Plan in general, contact the Pension Plan Office at the address or phone number listed at the top of this letter.

Sincerely,

Board of Trustees

Federal law requires that you receive this notice. Also as required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

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