

Notice of Critical Status For Graphic Arts Industry Joint Pension Trust

This is to inform you that on September 28, 2023, the Plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan is in critical status for the Plan Year beginning July 1, 2023. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, under federal pension law, the Plan is considered to be in critical status in the Plan Year beginning on July 1, 2023 because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation (PBGC) under the American Rescue Plan Act (ARPA).

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. During the eight years prior to the Plan Year beginning on July 1, 2023 the Plan was in critical and declining status (such status was added by the Multiemployer Pension Reform Act of 2014 (MPRA)). During the five years prior to that period the Plan was in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On September 27, 2010, you were notified that the Plan reduced or eliminated adjustable benefits. You were also notified that as of September 27, 2010, the Plan 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 Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate notice identifying and explaining the effect of those reductions. Prior to MPRA, any reduction of adjustable benefits could not reduce the level of a participant's basic benefit payable at normal retirement. In addition, prior to MPRA the reductions could only apply to participants and beneficiaries whose benefit commencement date is on or after September 27, 2010. The changes under MPRA are discussed below.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be (or might have already been) reduced or eliminated as part of the rehabilitation plan:

- Three-year, five-year and ten-year certain and life annuities;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Lump sum death benefits;
- Other similar benefits, rights, or features under the plan (i.e., preretirement survivor annuities in excess of a qualified preretirement survivor annuity (QPSA)).

American Rescue Plan Act (ARPA) of 2021

Under ARPA, a pension plan in critical and declining status was allowed to apply to the PBGC for special financial assistance, in order to allow the plan to continue to pay full benefits longer than previously expected, delaying the date of projected insolvency. The Trustees of the Plan submitted an application for special financial assistance to the PBGC. The Plan received special financial assistance of \$440,006,864 on May 24, 2022. Additionally, as permitted under the Final Rule issued by the PBGC related to special financial assistance, the Plan submitted a supplemented application for additional financial assistance on August 18, 2022 and received additional special financial assistance of \$82,163,777 on January 11, 2023.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation unless the employer agrees to a collective bargaining agreement that includes terms consistent with a schedule presented by the Board of Trustees. 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 is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Plan is in critical status until a new collective bargaining agreement that contains terms consistent with the Plan's rehabilitation plan takes effect.

Where to Get More Information

For more information about this Notice, you may contact the Board of Trustees of the Graphic Arts Industry Joint Pension Trust at 3040 Williams Dr Ste 640, Fairfax, VA 22031, at (571) 800-1860 or jpt@gaijpt.org. You have a right to receive a copy of the rehabilitation plan from the Plan.