

**NOTICE OF CRITICAL & DECLINING STATUS FOR 2015
FOR THE
LOCAL 138 PENSION TRUST FUND**

This is to inform you that on March 31, 2015 the actuary for the Local 138 Pension Trust Fund certified to the U.S. Department of the Treasury and to the Fund's sponsor, that the Fund is in critical and declining status for its year beginning January 1, 2015 and ending December 31, 2015. Federal law requires that you receive this notice.

Critical & Declining Status: The Fund is considered to be in critical & declining status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund is projected to have an accumulated funding deficiency within the next four plan years. Also according to the Fund's actuary, the Fund is projected to be insolvent in the Plan Year ending 2023.

Rehabilitation Plan and Possible Reduction in Benefits: Federal law requires each pension fund in critical and declining status to adopt a rehabilitation plan aimed at restoring its financial health. The Trustees of the Local 138 Pension Trust Fund are doing everything that they can to improve the funding status of the Fund. As a result, the Trustees adopted the Fund's Rehabilitation Plan on November 25, 2008 and also revised the Rehabilitation Plan in November 2010. (You have a right to receive a copy of the Rehabilitation Plan on request.)

The following changes have been made to the Fund: Effective January 1, 2009 the benefit formula was changed. Effective May 1, 2012, early retirement was eliminated for former participants of employers who no longer contributed to the Fund, and death benefits were limited to surviving spouses. And while in Critical & Declining Status, the Pension Fund is prohibited from paying pensions in a lump sum unless the payment is not greater than \$5,000. Notice of these changes were previously provided.

The law permits a pension fund in critical and declining status to reduce or even eliminate benefits. If the Trustees of the Local 138 Pension Trust Fund determine that further benefit reductions or eliminations are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions or eliminations.

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. A 5% surcharge was applicable in the initial critical year (2008), starting with contributions due on or after May 10, 2008. A 10% surcharge is applicable for each succeeding calendar year thereafter in which the Fund is in critical status. As a result, starting January 2009, contributing employers are paying a 10% surcharge which will remain in effect until the employer adopts a collective bargaining agreement that is consistent with the Rehabilitation Plan.

Where to Get More Information: For more information about this Notice, you may contact:

Board of Trustees
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