NOTICE OF CRITICAL AND DECLINING STATUS

Retirement Benefit Plan of GCIU Detroit Newspaper Union 13N
With Detroit Area Newspaper Publishers

This is to inform you that on March 30, 2019 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2019. 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, the plan's actuary determined that:

- The plan has an accumulated funding deficiency for the current plan year.
- Over the next three plan years, the plan is projected to have an accumulated funding deficiency for the 2020 through 2022 plan years.
- The funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the 2020 through 2023 plan years.
- The sum of the plan'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 of active participants; and the plan has an accumulated funding deficiency for the current plan year.
- The sum of the fair market value of the plan's current assets plus the present value of expected employer contributions through 2020 is less than the present value of all benefits payable through 2020.
- The plan was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency for the 2020 through 2028 plan years.

Critical and Declining Status

A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) during the current plan year, or within 15 years (or within 20 years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80 percent). The Plan will become insolvent in the 2019 Plan Year. Such insolvency will result in benefit reductions.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the 11th year the plan has been in critical status.

The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On or about August 15, 2009, you were notified that the plan reduced or eliminated adjustable benefits. On April 30,2008, you were notified that as of March 31, 2008 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 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, as described below) 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 April 30, 2008.

Adjustable Benefits

The plan offered the following adjustable benefits which were reduced or eliminated as part of the rehabilitation plan that was adopted:

- The Pre-retirement death benefit;
- The lump sum death benefit;
- All lump sums payments greater than $5,000.00;
- The Early Retirement full pension at age 60;
- The special early retirement social security supplemental pension;
- The Disability Retirement Benefit;
- The Joint and Survivor "Pop-Up" allowing a surviving participant to effectively change their form of benefit to a single life annuity;
- Elimination of the early retirement subsidy; and
- Elimination of the joint and survivor subsidy

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan'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 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.

Where to Get More Information

For more information about this Notice, you may contact Mr. Tony Valvona, at (586) 755-8041, 11420 East Nine Mile Road, Warren, MI 48089. You have a right to receive a copy of the rehabilitation plan from the plan.