LOCAL 305–C.I.O.'S PENSION FUND

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Union Trustees
Don Douglas
Raymond Vetrano

Employer Trustees
William F. Clarke
Annunziato Scaramella

April 28, 2009

Dear Member:

As a result of new legislation called the Pension Plan Act, the Plan is required to provide the attached notice to interested parties about your Pension Fund. This notice, is in the form required by the Government.

The Local 305 Pension Plan is not going out of business and is fully capable of paying your Pension. If you are currently collecting a Pension, benefits will not be interrupted and the amount will not change as a result of this notice. If you are no longer participating and you are vested but have not reached retirement age the Pension Plan will be there at your retirement age. If you are an active employee you will continue to earn Pension credits while you are working and contributions are being made on your behalf.

Even without new contributions or earnings from investments, the Pension Plan has sufficient assets to pay all benefits for the next twelve years. Interest and investments returns will be added to the Pension account over time, all of which is also used to pay benefits. You should also know that the Pension Board of Trustees is working diligently with all its professionals to make sure that your benefits are protected to the extent provided in the law.

As provisions in the new law become applicable, you may receive further notices from us explaining the requirements of the law and the impact the law has on your benefits.

Sincerely,

Pension Board of Trustees

120 SAW MILL RIVER ROAD • HASTINGS-ON-HUDSON, NEW YORK 10706

Notice of Critical Status
For
Local 305 CIO's Pension Fund

This is to inform you that, on March 31, 2009, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2009. 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 sum of the plan's normal cost and interest on the unfunded benefits for the current 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 the vested benefits of active participants; and the plan is projected to have an accumulated funding deficiency during the 2012 plan year.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reductions 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, 2009. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of April 30, 2009, 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.

Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type 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 was otherwise required to contribute to the plan under the applicable collective bargaining agreement in effect when the plan was first certified as being in critical status. With some exceptions, a 5% surcharge was applicable in the initial critical year (2008) 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 the Board of Trustees of the Local 305 CIO's Pension Fund at 914-478-3800 or 120 Saw Mill River Road, Hastings-on-Hudson, NY 10706 . You have a right to receive a copy of the rehabilitation plan that was adopted.