Frank M. Vaccaro & Associates, Inc.
Employee Benefit Administrators & Consultants
Established: 1980
Offices located in:
Mount Laurel, NJ • Atlantic City, NJ • Philadelphia, PA • Pittsburgh, PA

EBSA/PUBLIC DISCLOSURE
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October 14, 2009

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U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
N-1513
200 Constitution Avenue NW
Washington, DC 20210

Re: Critical Status Notice
Employer – Local 375 Pension Fund
EIN/PIN 23-6542743

Dear Sir/Madam:

Enclosed please find the Critical Status Notice for Employer – Local 375 Pension Fund for the Plan Year beginning August 1, 2009 and ending July 31, 2010.

Should you have any questions, or require additional information, please do not hesitate to contact our office.

Sincerely,
FRANK M. VACCARO & ASSOCIATES, INC.

Monica Madden
Account Manager

Main Office: 27 Roland Avenue, Suite 200, Mount Laurel, NJ 08054
(856) 793-2501 • (800) 883-3682 • Fax (856) 793-3105

Notice of Critical Status For

Employer-Local No. 375 Pension Fund

This is to inform you that on September 16, 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 August 1, 2009. Federal law, the Pension Protection Act of 2006, 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 a projected funding deficiency for the plan year ending July 31, 2011.

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. This is the second 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 October 15, 2008 you were notified that the plan may reduce or eliminate adjustable benefits. On June 15, 2009 the Board of Trustees adopted a Rehabilitation Plan and agreed on a schedule of contribution increases and changes to benefits to improve the funding of the plan. If the trustees of the plan determine that additional 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 October 15, 2008. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of October 15, 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.

Adjustable Benefits

The plan offers the following adjustable benefits which have been eliminated:

- ☒ Post-retirement death benefits; - eliminated September 1, 2009
- ☒ Sixty-month payment guarantees; - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan
- ☒ Disability benefits (if not yet in pay status); - eliminated September 1, 2009
- ☒ Early retirement benefit or retirement-type subsidy; - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan
- ☒ Benefit payment options other than a qualified joint-and survivor annuity (QJSA); - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan

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 Frank M. Vaccaro & Associates, Inc. at 800-883-3682 or 27 Roland Avenue, Suite 200, Mt. Laurel, NJ 08054. You have a right to receive a copy of the rehabilitation plan from the plan.

October 15, 2009