

## **MEMORANDUM**

**TO:** All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, Teamsters Local 966, Secretary of Labor, Pension Benefit Guaranty Corporation

**FROM:** Board of Trustees

**DATE:** April 29, 2024

**RE:** **Notice of the Actuary's Certification of Critical and Declining Status under the Pension Protection Act of 2006 for the Local 966 Pension Plan**

This is to inform you that on March 31, 2023, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2023. Federal law requires that you receive this notice.

### **Critical Status**

The Plan received special financial assistance from PBGC under the American Rescue Plan Act in 2023. The special financial assistance is intended to help the plan remain solvent through the 2051 plan year. The Plan is considered to be in critical status because plans that received this special financial assistance are deemed to be in critical status, notwithstanding the receipt of the special financial assistance.

### **Rehabilitation Plan**

Federal law requires pension plans in critical status or critical and declining 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. In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan on November 24, 2010. The rehabilitation plan requires an additional annual 9.75% increase in employer contributions effective January 1, 2013 on top of employer surcharges during the period May 30, 2010 to December 31, 2012 with the last 9.75% annual increase occurring on January 1, 2019. Additionally, effective January 1, 2011, the rate at which active participants earn future benefits was reduced by 25% of the current accrual rate and for retirement before age 65, the early retirement reduction factors changed from 82%, 88% and 94% at ages 62, 63 and 64 to 73.87%, 81.50% and 90.15%.

### **Adjustable Benefits**

The plan offered early retirement subsidy adjustable benefits which were reduced as described above as part of the rehabilitation plan adopted by the Trustees. The reduction of these adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement.

### **Where to Get More Information**

For more information about this Notice, you may contact the Trust Fund's Administrative Office at:

BeneSys, Inc.  
7130 Columbia Gateway Drive  
Suite A  
Columbia, MD 21046  
(410) 872-9500

You have a right to receive a copy of the rehabilitation plan from the plan that the Board of Trustees have adopted.