

NEW ENGLAND TEAMSTERS AND TRUCKING INDUSTRY PENSION FUND

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NOTICE OF CRITICAL STATUS

Under the Pension Protection Act of 2006 (PPA), a multiemployer pension plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the Trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the Trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

On December 29, 2015, the Fund's Actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund will be classified in critical status, but not in critical and declining status for the 2015 – 2016 Plan Year (which began October 1, 2015) because its funded percentage is less than 65% and it has a projected funding deficiency in the current or next 4 plan years.

The PPA permits pension plans in critical status to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. The Fund offers early retirement subsidies, disability benefits (not yet in payment) and death benefits other than the Qualified Survivor benefits which are considered “adjustable benefits”. The Trustees did eliminate some “adjustable benefits” in 2009 as part of the current rehabilitation plan. No other benefit reductions have been implemented since 2009. If the Trustees determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. However, the Trustees remain committed to seeking all available alternatives before any existing benefits are affected.

In an effort to improve the Pension Fund’s funding situation, the Trustees adopted a Rehabilitation Plan on January 15, 2009 and amended that Rehabilitation Plan effective December, 2015. In addition to certifying that the Fund remains in critical status for the 2015 – 2016 Plan Year, the Fund’s Actuary certified that the Fund is making scheduled progress in meeting the requirements of its adopted Rehabilitation Plan.

You may obtain a copy of the Pension Fund’s Rehabilitation Plan and the 2015 review and amendment by contacting the plan administrator. Or you may obtain this information directly from the Pension Fund’s website on the internet at <http://www.nettipf.com>.