

ILWU-PMA BENEFIT PLANS /

International Longshore & Warehouse Union —
Pacific Maritime Association www.benefitplans.org

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

September 14, 2015

To: ILWU Longshore, Ship Clerk and Walking Boss/Foreman Locals

From: Jacquie Gasparro, Manager, Pension Plans

Subject: ILWU-PMA Pension Plan – Memorandum: “Green Zone” Certification

Attached is a copy of a Memorandum from the Trustees of the ILWU-PMA Pension Plan describing the funded status of the Pension Plan as of July 1, 2015.

This Memorandum is being mailed to all Participants and Beneficiaries in the ILWU-PMA Pension Plan.

Attachment

cc: Area Welfare Directors

A copy of this memo can be downloaded at www.benefitplans.org

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ILWU-PMA Pension Plan
ILWU-PMA Welfare Plan

ILWU-PMA Watchmen Pension Plan

<NAME>
<ADDRESS>
<CITY, STATE ZIP>

COPY

MEMORANDUM

To: Participants and Beneficiaries of the ILWU-PMA Pension Plan
From: Board of Trustees of the ILWU-PMA Pension Plan ("the Plan")
Date: September 14, 2015
Re: The Pension Plan's "Green Zone" Certification

This is to inform you that on September 2, 2015, the Plan's actuary certified to the U.S. Department of Treasury, and to the Plan's Board of Trustees, that the Plan is neither in critical nor endangered status (as defined under the Pension Protection Act of 2006 ("PPA") for the Plan Year beginning July 1, 2015. In other words, the **Plan is in the "Green Zone"**. In addition, the actuary certified that the Plan is not expected to be in the "Red Zone" in any of the next five Plan Years.

BACKGROUND

Beginning with the 2008 Plan Year, using funding criteria set forth in the Internal Revenue Code, the PPA has required multiemployer defined benefit pension plans to be certified by their actuaries as being in one of three funded status zones:

- Neither Endangered nor Critical ("Green Zone")
- Endangered ("Yellow Zone")
- Critical ("Red Zone")

Trustees of plans that are not in the "Green Zone" must take specific actions spelled out in the law. For a plan in endangered status, this includes the adoption of a "Funding Improvement Plan"; for a plan in critical status, it includes adopting a "Rehabilitation Plan". These actions are designed to restore the plan to "Green Zone" status over a period of time.

For every year since the 2008 Plan Year until now, the Pension Plan's actuary has certified the Plan to have been in Endangered status ("Yellow Zone") because the Plan was less than 80% funded based on the PPA's funding measures. You received Notices every year advising that the Plan was in Endangered status and that a Funding Improvement Plan was adopted to improve the funding. **However, we are happy to inform you that the Plan's funding has improved to the point that as of July 1, 2015, the Plan is over 80% funded and is therefore no longer Endangered, but is now in the "Green Zone".**

While the Trustees must continue to exercise diligence to protect the funded position of the Plan, the law does not require them to take any further specific actions to improve plan funding.

If you have any questions regarding this notice, please contact the Benefit Plans Office.