

NOTICE OF ENDANGERED STATUS
For
PHILADELPHIA BAKERY EMPLOYERS AND FOOD DRIVER SALESMEN'S UNION
LOCAL NO. 463 AND TEAMSTERS UNION LOCAL NO. 676 PENSION FUND

Introduction

The Pension Protection Act ("Act"), signed into law in 2006 and extended by the Multiemployer Pension Reform Act of 2014 ("MEPRA"), is intended to improve the financial condition of pension plans. The Act implemented several safeguards, as well as notification requirements to share more information about a plan's "financial health" with participants and others directly interested in the plan. Starting with the 2008 plan year, the Act requires that all pension plans be tested annually to determine how well they are funded. The Act established formal benchmarks for measuring a plan's funding. Plans that are not in the "Green Zone" as defined by the Act must notify all participants, unions, contributing employers and certain regulatory authorities of the plan's status, as well as take corrective action to restore the plan's financial health.

This notice is to inform you that on October 29, 2020 the actuary of the Philadelphia Bakery Employers and Food Driver Salesmen's Union Local No. 463 and Teamsters Union Local No. 676 Pension Fund (the "Plan") certified to the U.S. Department of the Treasury and to the Trustees that the Plan is in Endangered Status (or in the "Yellow Zone") for the plan year beginning August 1, 2020.

Plan's Status – Yellow Zone

Under the Act, if a pension plan is classified as being in the "Yellow Zone," it is considered to be in "endangered" status. One of the criteria by which a plan will fall within the "Yellow Zone" is if the ratio of its assets to its liabilities is less than 80%. For the plan year beginning August 1, 2020 has been determined by the Plan's actuary to be 80.98% funded using the Act's criteria.

Funding Improvement Plan

Yellow Zone status represents an early warning to focus on correcting problems before they lead to more serious trouble. As required by the Act, the Trustees will adopt a Funding Improvement Plan on or before June 26, 2021, designed to improve the Plan's funded position over time. Then, the Trustees will inform the employers and unions of the items that will need to be covered in collective bargaining agreements entered into or renewed in order to comply with the Funding Improvement Plan. The Funding Improvement Period for the Plan is the period of ten (10) plan years beginning August 1, 2023. Until the Plan returns to the Green Zone, the Trustees are required to monitor, annually the effectiveness of the Funding Improvement Plan.

What's Next

The Trustees understand that legally required notices like this one can create concern about the Plan's future. While the "endangered status" label is required to be used by law, the Trustees are working with the Plan's actuary and consultants to monitor the Plan's condition, including by adopting the Funding Improvement Plan, with the intent to improve the Fund's financial condition. However, since the Plan is influenced by economic and financial variables beyond the control of the Trustees (such as market volatility and changes in participation and/or the number of contributing employers), unexpected developments can affect the Plan's status and additional future corrective actions may be needed.

Where to Get More Information

For more information about this notice, you may contact the Plan administrator's office at (856) 382-2491, Philadelphia Bakery Pension Fund, Fund Manager, 2500 McClellan Avenue, Suite 140, Pennsauken, NJ 08109. For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number or "EIN" is 23-6537145. For more information about the PBGC and benefit guarantees, go to the PBGC'S website, www.pbgc.gov, or call the PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Date Issued: 11/27/2020