

BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND

10401 Connecticut Avenue • Kensington, Maryland 20895-3960
(301) 468-3742 <http://www.bctrustfunds.org> Fax (301) 468-3748

NOTICE OF CRITICAL AND DECLINING STATUS

For

BAKERY AND CONFECTIONERY UNION AND INDUSTRY INTERNATIONAL PENSION FUND

April 30, 2025

This is to inform you that on March 31, 2025, the plan actuary certified to the U.S. Department of the Treasury, and also to the Trustees, that the plan is in critical status for the plan year beginning January 1, 2025. Federal law requires that you receive this notice.

Financial Assistance under the American Rescue Plan Act of 2021

On July 22, 2024, the Plan received special financial assistance under the American Rescue Plan Act from the Pension Benefit Guaranty Corporation.

Critical Status

Because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act during 2024, the plan is certified to be in critical status for 2024 and will be until the plan year ending in 2051.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The plan has been in critical status since 2012, and critical and declining status from 2015 through 2024, prior to receipt of special financial assistance. The law permits pension plans in critical status to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. On November 14, 2012, you were notified that the Plan reduced or eliminated certain adjustable benefits. On April 27, 2012, you were notified that as of April 30, 2012, the Plan is not permitted to pay lump sum benefits (or any other benefits in excess of the monthly amount paid under a single life annuity) while it is in critical status, unless the lump sum is less than \$5,000. The trustees review the Rehabilitation Plan annually and have most recently adopted an update to the Rehabilitation Plan effective December 5, 2024. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Adjustable Benefits

The plan offers the following adjustable benefits which have been, or which may be, reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- 36-month payment guarantee (including 36-month payment to beneficiaries of an unmarried participant);
- Disability benefits (if not yet in pay status);
- Early retirement benefits;
- Subsidized early retirement benefits, such as the Plan CC, Golden 80 and Golden 90 pensions;
- All benefit payment options other than a qualified joint-and-survivor annuity (QJSA), such as the Social Security option; 10-year certain; subsidized joint-and-survivor benefits; and pop-up joint-and-survivor benefits; and
- Benefit increases that were adopted or took effect since January 1, 2007.

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. 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, until the employer agrees to a collective bargaining agreement that implements the Rehabilitation Plan. The 5% surcharge was payable on hours worked on and after June 1, 2012 until December 31, 2012, and the 10% surcharge is payable with respect to hours worked on and after January 1, 2013, until a negotiated contribution rate that satisfies the Rehabilitation Plan goes into effect.

Benefit Suspension and Partition

Under MPRA, a plan that has been determined to be in critical and declining status and is projected to become insolvent may adopt certain reductions to accrued benefits, subject to various requirements and limitations, if doing so is to prevent insolvency. Because the Plan received special financial assistance, it is not permitted to apply for benefit suspensions and partition.

Where to Get More Information

For more information about this Notice, you may contact:

Plan Administrator
B&C Union and Industry International Pension Fund
10401 Connecticut Avenue, Suite 320, Kensington, MD 20895-3960
(301) 468-3742.

As required by law, this notice is being provided to all required parties including the Pension Benefit Guaranty Corporation (PBGC), the U.S. Department of Labor, each Plan Participant and Beneficiary, the Union and each of the Contributing Employers.