

NEW ENGLAND TEAMSTERS PENSION FUND

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January 2023

NOTICE OF CRITICAL STATUS

Under the Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 (MPRA), a multiemployer pension plan must be certified as safe, endangered, seriously endangered, critical, or critical and declining. These certifications are primarily based on the plan's funding percentage and long-term outlook. If a pension plan enters critical status, the Trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

On December 29, 2022, 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 and declining status for the 2022–2023 Plan Year (which began October 1, 2022), because its funded percentage is less than 65%, it has a projected funding deficiency in the current or next 4 plan years and has a projected insolvency date which is less than the 20-year minimum statutory requirement.

The Pension Fund's Trustees are working with New England Local Unions regarding strategies to increase the Pension Fund's participation levels, including continuing to negotiate with more employers to become transition employers and bring new employers into the Fund. As part of recent negotiations with UPS, the company's contributions to the Pension Fund nearly doubled in 2022 and are expected to remain at least at that level thereafter. The higher level of UPS contributions will be a significant source of future funding and are expected to improve the funded status of the Pension Fund.

In an effort to improve the Pension Fund's funding situation, the Trustees adopted a Rehabilitation Plan on January 15, 2009. The Rehabilitation Plan has been subsequently reviewed and restated effective January 1, 2023. In addition to certifying that the Fund remains in critical and declining status for the 2022 – 2023 Plan Year, the Fund's Actuary certified that the Fund is making scheduled progress in meeting the requirements of its adopted Rehabilitation Plan.

As communicated previously, Congress in 2021 enacted the American Rescue Plan Act ("ARPA") and made financial assistance available to certain multiemployer pension funds. The Pension Fund is among those eligible for this assistance and, later this year, the Trustees will be submitting an application for special financial assistance ("SFA") to the Pension Benefit Guaranty Corporation ("PBGC"), which administers the SFA program. The receipt of SFA will have a very positive impact on the Pension Fund's long-term financial outlook. Your Pension Fund Trustees will keep you apprised of developments in this regard and continue to do everything they can in order to make the New England Teamsters Pension Fund a stable and reliable source of retirement income.

You may obtain a copy of the Pension Fund's Rehabilitation Plan and the January 1, 2023 restatement 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>.