

**NOTICE OF ENDANGERED STATUS
FOR
INLANDBOATMEN'S UNION OF THE PACIFIC NATIONAL PENSION PLAN**

October, 2019

Introduction

This notice is to inform you that on September 27, 2019, the Plan actuary certified to the U.S. Department of Treasury, and the Board of Trustees, that the Inlandboatmen's Union of the Pacific National Pension Plan is in endangered status for the plan year beginning July 1, 2019. Federal law requires that you receive this notice.

Improvement in Status from Last Year

The Plan is considered to be in endangered status for the current plan year because the Plan's funded percentage is less than 80%. As of July 1, 2019, the funded percentage of the Plan was 79% (compared to 76% as of July 1, 2018). The funded percentage compares the Plan's assets to the present value of accumulated benefits. The Plan emerged from critical status because the Plan's actuary determined that the Plan is not projected to have an accumulated funding deficiency in the current plan year or the next nine plan years.

Change in Status from the July 1, 2018 – June 30, 2019 Plan Year

The Plan was certified to be in "critical status" for the 2017-2018 and 2018-2019 plan years, which is a more serious funding status than "endangered status". The Plan was certified in critical status because it had a funding problem. Last year, the Plan's actuary determined that the Plan was projected to have an accumulated funding deficiency during the next 10 plan years.

As a result of being certified in critical status, the Board of Trustees and the bargaining parties adopted a rehabilitation plan aimed at restoring the financial health of the Plan. The 2018 Rehabilitation Plan provided for supplemental contributions to the Plan as well as certain benefit reductions. The supplemental contributions are used to improve the Plan's funding only, i.e., they do not count for benefit accrual purposes.

Due to the 2018 Rehabilitation Plan changes, the Plan has improved its funding status from critical status to endangered status for the 2019-2020 plan year.

- Bargaining units that adopted the 2018 Preferred Schedule will continue to pay the supplemental contributions and receive benefits in accordance with the 2018 Preferred Schedule.
- Bargaining units that had the 2018 Default Schedule imposed on them will continue to pay the supplemental contributions and receive benefits in accordance with the 2018 Default Schedule. The 10% surcharge contribution that was required because the Plan was in critical status stops effective July 1, 2019.
- Bargaining units that have not yet adopted a 2018 Rehabilitation Plan Schedule and have not had the 2018 Default Schedule imposed on them must adopt either the 2018 Preferred Schedule or the 2018 Default Schedule by the 180th after the date their collective bargaining agreement expires or the 2018 Default Schedule will be imposed as required by the PPA. The 10% surcharge contribution that was required because the Plan was in critical status stops effective July 1, 2019.

The Plan's actuary is required by law to certify to the Plan's status every year.

Funding Improvement Plan

Federal law requires pension plans in endangered status to adopt a funding improvement plan that must meet certain benchmarks for improving the plan's financial condition over a period of years. It is anticipated that the funding improvement plan for the Inlandboatmen's Union of the Pacific National Pension Plan will consist of the actions already taken by the Trustees and bargaining parties in 2018 and 2019. If the Trustees determine that further benefit reductions or contribution increases are necessary, you will receive a separate notice in the future identifying and explaining the effect of those changes.

Where to Get More Information

For more information about this Notice, you may contact the Administration Office at the following address:

Inlandboatmen's Union of the Pacific Pension Trust
c/o BeneSys, Inc.
PMB #116
5331 SW Macadam Ave, Suite 258
Portland, OR 97239
(503) 224-0048

You have a right to receive a copy of the 2018 Rehabilitation Plan adopted on May 16, 2018 and the funding improvement plan once it is adopted by the Board of Trustees.