

Critical Status - May 1, 2024 Plan Year

The Plan is considered to be in Critical Status for the Plan Year beginning May 1, 2024 as a result of receiving Special Financial Assistance (SFA) on May 24, 2022 and January 10, 2023.

For now, the NPF has sufficient assets to meet its monthly benefit obligations.

The Plan recognizes that these issues are complex and extremely important to you. For more information on the NPF's funded status, as well as further explanation of what receipt of the SFA means for your future benefits, please see the August 2024 *Pension Communicator*.

Rehabilitation Plan

Federal law requires pension plans in Critical Status (or Critical and Declining Status) to adopt a Rehabilitation Plan aimed at restoring the Plan's financial health.

The NPF has operated under a Rehabilitation Plan for fifteen years. You have been previously advised as to the NPF's Critical Status on an annual basis starting in September 2007. This is the eighth year that the NPF is in Critical and Declining Status.

Adjustable Benefits

As you were previously advised, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of the Rehabilitation Plan. Depending on the Collective Bargaining Agreement or other agreement under which you worked in 2007 and your status as a person for whom contributions were or were not required to be made to the Plan, you initially were notified of the NPF's status in September 2007 and that the NPF would be reducing or eliminating certain adjustable benefits. Both the Preferred and Default Schedules of the Rehabilitation Plans required reductions in adjustable benefits including: early retirement benefits, preretirement death benefits and disability benefits. The Schedules also required additional Employer contributions. Independent of these reductions, the NPF's Supplemental Early Retirement Benefit was also eliminated.

You may obtain copies of the previous communications that discussed changes in adjustable benefits by contacting the Plan Administrator at info@gc-npf.org or by writing the Plan Administrator at 455 Kehoe Blvd., Suite 101, Carol Stream, IL 60188.

Employer Surcharge

The law requires that all Employers pay to the Plan a surcharge to help correct the NPF's financial situation unless the Employer's employees are covered under a Collective Bargaining Agreement (or other similar agreement) that includes terms consistent with the Rehabilitation Plan's Schedules. For the small number of Employers who did not adopt the Preferred Schedule of the Rehabilitation Plans, surcharges were implemented. The amount of the surcharge is equal to a percentage of the amount an Employer is otherwise required to contribute to the NPF under any applicable Collective Bargaining Agreement that is not consistent with the Rehabilitation Plan's Schedules. With some exceptions, a 5% surcharge was applicable in the initial Critical Status Plan Year (2008), and a 10% surcharge applied for each succeeding Plan Year thereafter in which the Plan remained in Critical Status.

Where to Get More Information

For more information about this Notice, go to the NPF's website www.gc-npf.org. Or, you may contact the Fund Office at the address above, or by email to info@gc-npf.org. You have a right to receive a copy of the Rehabilitation Plans, including the Schedules, from the NPF. If you would like a copy, go to our website, or contact the Fund Office.

SUMMARY OF MATERIAL MODIFICATIONS FOR THE GRAPHIC COMMUNICATIONS NATIONAL PENSION FUND

This Notice (called a Summary of Material Modifications or "SMM") describes certain changes made to the Graphic Communications National Pension Fund ("Fund") Plan document. The primary change concerns payment options for benefits payable by the Fund with a small present value. The other change concerns the Required Minimum Distribution date for Fund Participants born in 1959.

Please read this Notice carefully, share it with your family, and keep it with your Summary Plan Description booklet.

1. Lump Sum Distribution of Benefits with a Small Present Value

Effective January 1, 2024, the Plan document was amended to increase the threshold for lump sum distributions to \$7,000. Accordingly, if the present value of any benefit payable under the Fund is \$7,000 or less, it must be distributed in a single lump sum rather than as an annuity or other form of payment including the 50% Joint and Survivor Annuity.

In addition, the benefit of any Participant who has not worked in Covered Employment (employment for which contributions are required to be made to the Fund) for at least five consecutive Plan Years immediately preceding the lump sum distribution, will be cashed out in one lump sum if their benefit has a present value of \$7,000 or less, regardless of the age of the Participant, provided the Participant has attained Vested Status under the Plan. Other forms of payment are not available for these small benefits.

All lump sum distribution recipients are entitled to elect between receiving their lump sum distribution directly (less applicable tax withholding) or rolling the lump sum over into an individual retirement account (“IRA”) or other qualified pension plan of their choosing. This election must be made on the applicable form provided by the Fund Office.

Failure to Elect Between a Rollover and a Direct Payment

If the present value of your lump sum distribution is greater than \$1,000 and you do not return the Fund’s completed Lump Sum Benefit Payment Election Form to the Fund Office within the timeframe provided, the Fund will transfer your lump sum distribution to an individual retirement account (“IRA”) selected by the Trustees and held in your name on your behalf. The IRA provider will invest the benefit in an investment vehicle designed to preserve the principal amount rolled over and provide for a reasonable rate of return. The IRA provider will charge your IRA for any expenses associated with the maintenance of the IRA.

If the present value of your distribution is \$1,000 or less and you do not return the completed Form timely, your distribution will be held by the Fund until such time as you instruct the Fund about your election. No interest will be earned on your Fund benefit.

If you are eligible for a lump sum distribution from the Fund, you will be notified by the Fund Office and provided with additional information and the Lump Sum Distribution Election Form. **Remember to contact the Fund Office if your mailing address changes or if you are not certain the Fund Office has your current address.**

2. Required Minimum Distributions

New rules for Required Minimum Distributions were recently adopted by the Board of Trustees and an SMM describing those rules was previously provided to you. For certain Fund Participants born in **1959**, the original language of the law modifying the Required Minimum Distribution rules was ambiguous concerning their Required Beginning Date. The rule has since been clarified. For Participants born in 1959, you must commence pension payments by April 1 of the year following the year you attain age 73. For details concerning Required Minimum Distributions, please refer to the SMM provided by the Fund in the August 2023 Pension Communicator.

If you have questions about this Notice or your Benefits, please contact the Fund Office.

ESTATE PLANNING CHECKLIST

The information provided herein is for informational and educational purposes only and should not be construed as financial, investment, tax, or legal advice. The content is based on general principles and does not consider your individual financial situation, goals, or needs.

Before making any financial decisions, it is recommended that you consult with a qualified financial advisor, accountant, and legal professional who can provide personalized advice tailored to your specific circumstances.

Many people have a Will, Trust, Advanced Medical Care Directive and Powers of Attorney set up to help their family make difficult decisions down the road. These documents give direction on your final wishes and make estate settlement easier for your family. For example, knowing that: 1) your wishes will be followed if you become incapacitated; 2) family members will be taken care of financially; 3) bills will be paid; and 4) difficult decisions for family members can be made more

ARE YOU PREPARED? ESTATE PLANNING CHECKLIST

- LAST WILL AND TESTAMENT
- TRUST (Irrevocable/Revocable/Charitable)
- ADVANCED MEDICAL CARE DIRECTIVE
- FINANCIAL AND MEDICAL POWERS OF ATTORNEY
- BENEFICIARY DESIGNATIONS
- SUPPORTING LEGAL DOCUMENTS
- RETIREMENT PLAN REVIEW
- LIFE INSURANCE
- TAX IMPLICATIONS

