

# Office and Professional Employees Locals 30 & 537 Health & Welfare and Retirement Trust Funds

Administered By: Benefit Programs Administration  
Telephone • (800) 386-4350 • (562) 463-5065 • Facsimile (562) 908-7568

January 18, 2011

## **NOTICE OF PENSION RELIEF ELECTION FOR PARTICIPANTS AND BENEFICIARIES OF THE OPEIU LOCALS No. 30 & 537 RETIREMENT FUND EIN: [95-6072309], PN=[001]**

On June 25, 2010, President Obama signed the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 ("PRA") into law. This legislation was passed in an effort to help fundamentally sound plans that have become financially challenged by the current economic climate.

For a plan to qualify for the relief offered by the PRA, the plan's actuary has to certify that the plan is projected to have enough assets to cover all benefit payments and expenses (plan is "solvent") for the extended relief period. Based on the Zone Status certification for the plan year beginning February 1, 2010, the Office and Professional Employees International Union Locals No. 30 & 537 ("the Plan") qualifies for the Extended Amortization Period and Asset Valuation relief because the plan is projected to be solvent beyond the extended relief period.

The Board of Trustees has adopted the following relief provisions:

1. The Plan's actuary will apply the prospective method to allocate the eligible net investment loss incurred during the 2008/2009 Plan year to Plan years beginning on or after February 1, 2008 and amortize this segregated asset experience over the 30 year period beginning on February 1, 2008. Other experience will continue to be amortized over 15 years for minimum funding purposes (adopted September, 2010).
2. The Plan will recognize the 2008/2009 Plan Year net investment loss over a 10-year period rather than using the Plan's regular asset valuation method, which calls for a 5-year recognition of investment gains and losses, for purposes of determining the actuarial asset value from February 1, 2009 (adopted September, 2010).

Note that applying the relief offered by the PRA will decrease the amount of required minimum contributions that are taken into account in determining the appropriate contribution rates under collective bargaining agreements and may affect the Plan's certification status under §432(b) for the current and future Plan years. In short, the election to apply relief has given the Plan more time to address the funding shortfall that has resulted from the severe investment market downturn that occurred in late 2008 and early 2009. Additionally, the decision to elect the relief means the Plan is not permitted to increase benefits for two years after the last year in which the relief is used, unless certain conditions are met.

In the event you would like additional information about the election, you may contact the Plan Administrator (Selene M. Calderon) by phone at (562) 463-5065 or by mail at 13191 Crossroads Parkway North, Suite 205 City of Industry, California 91746-3434.

Sincerely,  
Board of Trustees  
cc: Pension Benefit Guaranty Corp.