United Independent Union – Newspaper Guild of Greater Philadelphia Pension Fund

April 28, 2009

To: Plan Participants, Beneficiaries, Contributing Employers and Bargaining Parties Participating in the United Independent Union-Newspaper Guild of Greater Philadelphia Pension Plan

Subject: Required "Notices" Concerning the Funding of the Pension Plan

Accompanying this letter are two "Notices" that are required by recent legislation to be mailed to you at this time. This letter briefly describes each "Notice." We encourage you to take the time to read each "Notice."

The "**<u>Annual Funding Notice</u>**" is for the **2008** Plan Year and is a new, more detailed notice, replacing the Annual Funding Notice and Summary Annual Report you received in prior years. It provides information on the Pension Plan's assets and liabilities and explains legislation that has been put in place to protect the funding of your type of plan, a multiemployer pension plan.

Since the Newspaper Guild of Greater Philadelphia Pension Plan merged into the United Independent Union Pension Plan as of July 30, 2008, the Annual Funding Notice contains information on the merger and provides the assets and liabilities of each plan, on a combined basis and on a standalone basis.

The "**<u>Zone Freeze Notice</u>**" provides information on the Plan's **2009** financial status and informs you that the Board of Trustees <u>elected</u> to retain last year's certified "green zone" status for 2009, as permitted under the *Worker, Retiree and Employer Recovery Act of 2008* (WRERA), which was signed into law in December 2008.

In reality, the Pension Plan was critical ("red zone") as of January 1, 2009 but WRERA allowed the Board of Trustees to elect to retain its January 1, 2008 "green zone" status (neither endangered nor critical) for one year, the 2009 plan year. This temporary funding relief provides the Board additional time to address the Pension Plan's funding problem and prepare a Rehabilitation Plan. On March 31, 2009, the IRS was notified that the Plan's actuary certified the Plan was in critical status ("red zone") and that it elected to freeze the 2008 green zone status for 2009. This Notice is also provided to the Pension Benefit Guaranty Corporation and the Secretary of Labor.

If you have any questions, please contact the Plan's Administrative Office at the address or phone number listed below.

Sincerely,

The Board of Trustees

Questions for United Independent Union
United Independent Union Benefit Fund Office
1166 South 11th Street • Philadelphia, PA 19147
215-336-3300 • Fax: 215-755-3542

Questions for Newspaper Guild of Greater Philadelphia
richard Gabriel associates
601 Dresher Road, Suite 201 • Horsham, PA 19044-2203
800-610-8300 • Fax: 215-773-9907

BENEFIT PROCESSING, INC.
Benefit Fund Administrators
20 Brace Road (Suite 114) • Cherry Hill, NJ 08034-2635
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89

ANNUAL FUNDING NOTICE
for
United Independent Union - Newspaper Guild of Greater Philadelphia Pension Plan

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice is for the plan year beginning January 1, 2008 and ending December 31, 2008 (referred to hereafter as "Plan Year").

In addition, as required by federal law, this notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency.

Effective July 30, 2008, the Newspaper Guild of Greater Philadelphia Pension Plan ("the NPG Plan"), a single employer plan, merged into the United Independent Union Pension Plan ("the UIU Plan"), a multiemployer plan. The Plan was renamed United Independent Union-Newspaper Guild of Greater Philadelphia Pension Plan ("the Plan"). The format of this Annual Funding Notice combines the activity of both plans for 2008.

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period. For illustrative purposes, the asset and liability amounts presented in the chart below include both the UIU Plan and the NPG Plan (the "Plans").

Plan Year	**2008**	**2007**	**2006**
Valuation Date	January 1, 2008	January 1, 2007	January 1, 2006
Funded Percentage	108.3%	112.5%	110.4%
Value of Assets	$215,424,782	$213,111,502	$201,706,352
Value of Liabilities	$199,001,045	$189,497,594	$182,728,349

The United Independent Union Pension Plan, on a stand-alone basis for the 2006 through 2008 plan years, had assets of $3,416,320 as of January 1, 2008, liabilities of $3,771,461 on January 1, 2008 and a funded percentage of 90.6%. For 2007, the UIU Plan's funded percentage was 91.2%, assets were $2,939,666 and liabilities were $3,224,532. For 2006, the UIU Plan's funded percentage was 94.7%, assets were $2,485,610 and liabilities were $2,625,481.

The Newspaper Guild of Greater Philadelphia Pension Plan, on a stand-alone basis for the 2006 through 2008 plan years, had assets of $212,008,462 as of January 1, 2008, liabilities of $195,229,584 on January 1, 2008 and a funded percentage of 108.6%. For 2007, the NPG Plan's funded percentage was 112.8%, assets were $210,171,836 and liabilities were $186,273,062. For 2006, the NPG Plan's funded percentage was 110.6%, assets were $199,220,742 and liabilities were $180,102,868.

Fair Market Value of Assets

The Value of Assets shown in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. For funding purposes, for the 2006, 2007 and 2008 plan years, the UIU Plan used actuarial values. The NPG Plan used market value as its actuarial value. Therefore, on a consolidated basis, the actuarial values are very close to market values in all years. As of December 31, 2008, the estimated fair market value of the Plan's assets was $142,711,926. As of December 31, 2007, the fair market value of the Plan's assets was $215,348,425. As of December 31, 2006, the fair market value of the Plan's assets was $213,055,857.

Participant Information

The total number of participants in the Plans as of the Plans' valuation date, January 1, 2008, was 3,203 [857 (UIU Plan) + 2,346 (NPG Plan)]. Of this number, 1,357 were active participants [596 (UIU Plan) + 761 (NPG Plan)], 745 [52 (UIU Plan) + 693 (NPG Plan)] were retired or separated from service and receiving benefits, and 1,101 [209 (UIU Plan) + 892 (NPG Plan)] were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The Plan has a funding policy that provides that the Plan is funded by contributions made by participating employers pursuant to collective bargaining agreements with the Unions that represent the Plan's participants. The employer contributions, after accumulation with interest, and investment earnings are intended to be sufficient to pay the pension benefits as they come due. The contributions necessary to support the pension benefits are determined using reasonable actuarial assumptions. Both the contribution and benefit levels may be adjusted in light of developing Plan experience.

Once money is contributed to the Plan, the money is invested by plan officials (Board of Trustees) called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The Plan's Investment Policy is a comprehensive document that charges all investments to be in compliance with ERISA, as amended. Investment objectives, asset allocation, allowable investments, proxy voting procedures, policy restrictions and reporting requirements of plan professionals and investment managers are identified. This document is reviewed at least annually to reflect any changes or updates necessary to ensure the Plan is operated in a prudent manner.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	**Percentage**
1. Interest-bearing cash	3.47%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities): Preferred All other	
4. Corporate stocks (other than employer securities): Preferred Common	 49.37%
5. Partnership / joint venture interests	
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common / collective trusts	
10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	39.40%
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Employer -related investments: Employer Securities Employer real property	
16. Buildings and other property used in plan operation	
17. Other	7.76%

Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The Plan was not in endangered or critical status in the 2008 Plan Year.

Events with Material Effect on Assets or Liabilities

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. For the plan year beginning on January 1, 2009 and ending on December 31, 2009, the following events are expected to have such an effect: The unfavorable asset performance of 2008 caused the market value of assets to decline to $142,711,926 at December 31, 2008. Due to this decline, the Plan's funded status is critical ("Red Zone") in 2009. The reason for the critical status is that a funding deficiency is projected to occur within two years. However, due to relief provided by the Worker, Retiree and Employer Recovery Act of 2008, the Board of Trustees has elected to defer the 2009 requirement to prepare and implement a rehabilitation plan until 2010.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202-693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. The Annual Report for the 2008 Plan Year will not be available until mid-October 2009.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an employer excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact:

For United Independent Union Participants
Julia Bruno, Administrative Manager
United Independent Union Benefit Fund Office
1166 South 11th Street
Philadelphia, PA 19147
Telephone: 215-336-3300

For Newspaper Guild Participants
Cindy Swartz, Administrative Manager
richard Gabriel associates
601 Dresher Road, Suite 201
Horsham, PA 19044
Telephone: 215-773-0900 or 1-800-610-8300

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 23-6405043. For more information about the PBGC and benefit guarantees, go to PBGC's Web site, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).