

**ZONE FREEZE NOTICE**  
**For**  
**UNITED INDEPENDENT UNION-NEWSPAPER GUILD OF GREATER**  
**PHILADELPHIA PENSION PLAN**

April 28, 2009

This notice provides important information about the United Independent Union-Newspaper Guild of Greater Philadelphia Pension Plan [Employer Identification Number 23-6405043 and Plan Number 001] (the "Plan"), a multiemployer pension plan. Based on funding standards provided in the Internal Revenue Code, which were initially effective with the 2008 plan year, multiemployer pension plans are required to be certified by their actuaries as being in one of three funded status zones:

1. Neither Endangered nor Critical (called the "Green Zone")
2. Endangered (called the "Yellow Zone")
3. Critical (called the "Red Zone")

If a pension plan is in the Green Zone, the plan's trustees are not required to take any specific actions or adopt particular programs to maintain or improve plan funding. However, if the plan is not in the Green Zone, the plan trustees are required, by law, to take certain actions to restore the plan to Green Zone status over a period of time.

Due to the current economic crisis, which has severely impacted the funding of most pension plans, Congress passed the *Worker, Retiree and Employer Recovery Act of 2008* (WRERA) in December 2008. WRERA allows multiemployer plan trustees the option to keep their plan in its 2008 plan year's zone status for one year, regardless of the plan's actual funded status for the 2009 plan year. This would provide the trustees more time to determine a plan of action to deal with the plan's funding issues.

In 2008, the United Independent Union-Newspaper Guild of Greater Philadelphia Pension Plan actuary certified the Plan's zone status for the January 1, 2008 through December 31, 2008 plan year to be neither endangered nor critical ("Green Zone").

For the January 1, 2009 through December 31, 2009 plan year, the Plan's actuary certified the Plan's zone status to be critical ("Red Zone").

In accordance with section 204(a) of WRERA, the Plan's Trustees have elected to "freeze" the Plan's 2008 plan year Green Zone status and have it apply to the January 1, 2009 through December 31, 2009 plan year. This means that the Trustees may take certain actions to improve the funded position of the Plan in 2009, but they will not be required to adopt a Rehabilitation Plan at this time.

This zone freeze election applies only for the 2009 plan year. The Plan's actuary will again certify the Plan's funded status by March 31, 2010. If, at that time, the Plan is certified to be endangered or critical for the 2010 plan year, you will receive a notice similar to this one explaining the Plan's zone status and remedial actions that the Trustees may be required to take under the law to improve the Plan's funded status. Such action may include contribution increases and/or reductions in future benefit levels. If the Plan is certified as critical in the 2010 plan year, remedial action will include a surcharge on employer contributions and the suspension of lump sums and similar accelerated payments for any individuals who commence receiving benefits after the notice is provided of the Plan's critical status. In addition, such remedial action may include amendments to reduce early retirement benefits or other adjustable benefits for such individuals.

The Trustees, working with the contributing employers and the Union, will continue to work towards strengthening the funded position of the Plan with the assistance of the Plan's actuary, legal counsel and other Plan professionals.

For more information about this notice or the Pension Plan, please contact:

**For United Independent Union Participants**

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Philadelphia, PA 19147

Telephone: 215-336-3300

**For Newspaper Guild Participants**

Cindy Swartz, Administrative Manager  
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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