



# CENTRAL STATES PENSION FUND

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EXECUTIVE DIRECTOR  
THOMAS C. NYHAN

April 25, 2019

CURT ZIEDRICH  
PRESIDENT  
LOCAL UNION NO. 727  
STE 111  
1300 W HIGGINS RD  
PARK RIDGE, IL 60068

DEAR CURT ZIEDRICH:

In accordance with the Pension Protection Act, pension plans are required to issue annual notices regarding the plan's funding status to all participants and beneficiaries. Enclosed for your review are these two notices; the *2019 Notice of Critical and Declining Status* and the *2018 Annual Funding Notice*. This information will also be sent to our participants by the end of this month and enclosed is a sample of their cover letter.

Concerning the Annual Funding Notice, I wanted to explain two significant items – you will note that the Funding Percentage as of January 1, 2018 deteriorated from the prior year. This is because pension benefit liabilities increased largely due to our actuary reducing the Fund's investment return assumption (from 5.5% to 3.0%). Additionally, you will note that net assets declined during 2018 by \$1.8 billion. This is primarily attributed to the Fund's contribution income being insufficient to offset benefits payments of \$2.8 billion and \$0.1 billion investment loss (-0.76% investment return).

As indicated in these notices, the Fund is still expected to become insolvent in 2025.

Action needs to be taken by Congress to solve the multiemployer pension crisis facing Central States and the over 100 other financially distressed pension plans in the United States. We highly encourage all stakeholders including participants, unions and employers to take action by contacting your legislators now to let them know how this crisis impacts you. Please visit our Congressional Outreach website [www.VoicesForPensionSecurity.com](http://www.VoicesForPensionSecurity.com) for further information.

If you have additional questions, please don't hesitate to contact me by phone at 847-232-5700, or by email at [ppriede@centralstates.org](mailto:ppriede@centralstates.org).

Sincerely,

Peter Priede  
Senior Director  
Employer Services, Pension and Finance