



IRON WORKERS DISTRICT COUNCIL

PHILADELPHIA AND VICINITY PENSION PLAN

Notice of Critical Status For Iron Workers District Council (Philadelphia and Vicinity) Pension Fund

This is to inform you that on December 27, 2013 the plan actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees, that the plan is in critical status for the plan year beginning October 1, 2013. Federal law requires that you receive this notice.

Critical Status

23-6529504

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the funded percentage of the Fund is 65% or less, and the Fund is projected to have an accumulated funding deficiency for the 2017 plan year. This means that contributions will not be enough to meet government standards for funding promised benefits plus those that participants are currently earning.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. In addition to future benefit accruals and similar changes, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the Fund's Board of Trustees determines that benefit reductions are necessary, you will receive a separate notice identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable, accrued to date, at normal retirement age. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after January 28, 2014. But you should know that whether or not the Fund reduces adjustable benefits in the future, effective as of January 28, 2014, the Fund is not permitted to pay lump sum benefits, or any other payment in excess of the monthly amount paid under a single life annuity, while it is in critical status.

Adjustable Benefits: The Fund offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan it may adopt: post-retirement death benefits; 120-month payment guarantees; disability benefits (if not yet in pay status); early retirement benefits; subsidized husband-and-wife benefits; the 25-Year Service Pension; benefit payment options other than a qualified joint and survivor annuity (QJSA) and other similar benefits, rights or features under the Plan.

Employer Surcharge: The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation, beginning 30 days after the employer is notified that the plan is in critical status. The surcharge is a percentage of the employer's negotiated contribution rate. A 5% surcharge is applicable the first year the Fund is in critical status and the employers are notified of the surcharge. The surcharge goes up to 10% for each succeeding plan year in which the Fund is in critical status, until the employer agrees to a collective bargaining agreement that implements one of the schedules in the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Fund Manager at Iron Workers District Council (Philadelphia and Vicinity) Retirement and Pension Plan, 2 International Plaza, Suite 120, Philadelphia, PA 19113, (215) 537-0900. You also have a right to receive a copy of the rehabilitation plan from the plan once adopted.

2014 FEB 11 PM 11:00
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