

**BRIDGE, STRUCTURAL, ORNAMENTAL & REINFORCING
IRONWORKERS LOCAL 207 PENSION FUND
2014 NOTICE OF CRITICAL STATUS
April 2014**

This Notice is to inform you that on March 28, 2014, the actuary for the Bridge, Structural, Ornamental & Reinforcing Ironworkers Local 207 Pension Fund (“Plan”) certified to the United States Department of the Treasury and to the Plan Sponsor (“the Board of Trustees”) that the Plan is in critical status for the 2014 Plan Year. The 2014 Plan Year began on January 1, 2014 and ends on December 31, 2014. Federal law requires that you receive this Notice.

Critical Status

The Plan is in critical status because the Plan has funding or liquidity problems, or both. The 2008 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan’s 2008 PPA certification date the Plan’s funded percentage was less than 65% and the Plan was projected to have an accumulated funding deficiency. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2014 Plan Year because the Plan’s actuary has determined that the Plan has not passed the “Emergence Test” that would enable it to come out of critical status. In order to pass the Emergence Test, the Plan’s actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

On April 1, 2008, the Board of Trustees adopted a rehabilitation plan as required by the *Pension Protection Act of 2006*. This plan was updated in the 2010 Plan Year. The Plan’s actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

Rehabilitation Plan

Federal law requires that plans in critical status adopt a rehabilitation plan aimed at improving the plan’s funded percentage. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of “adjustable benefits”, and/or (3) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay “restricted benefits”, such as lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

The Plan’s Board of Trustees adopted a rehabilitation plan in 2008 that was ratified by the bargaining parties. This rehabilitation plan has been updated to reflect recent Plan experience. The Plan’s updated rehabilitation plan is summarized below:

- Effective for annuity starting dates on or after January 1, 2012, a participant who was credited with less than 30 Years of Service under the Plan as of December 31, 2011 must attain at least age 56 to be eligible for the 30-Year Service Benefit. The 30-Year Service Benefit provides eligible participants with an unreduced Early Retirement Benefit.
- The benefit accrual rate for future service was reduced in accordance with the following schedule:

Plan Year	Benefit Accrual Rate
2012	\$40
2013	\$50
2014	\$60
2015	\$70
2016 and later	\$80

- The rehabilitation plan also calls for scheduled increases in the hourly contribution rate. The contribution rate is expected to increase in accordance with the following schedule:

Effective Date	Hourly Contribution Rate
June 1, 2010	\$8.31
June 1, 2011	\$8.66
June 1, 2012	\$9.01
June 1, 2013	\$9.16
June 1, 2014	\$9.31
June 1, 2015	\$9.46
June 1, 2016	\$9.61
June 1, 2017	\$9.76

The rehabilitation plan will be reviewed annually with the Plan's actuary and other professionals. Based on such review, the rehabilitation plan may be amended to include additional benefit reductions and/or contribution rate increases.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Early retirement benefits or retirement-type subsidies;
- Disability benefits (if not yet in pay status);
- Death benefits;
- Sixty-month payment guarantees;
- Benefit payment options other than a Qualified Joint & Survivor Annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the plan.

If the Trustees of the Plan determine that further benefit reductions are necessary, you will receive a separate Notice identifying the type of the reduction and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age (generally, age 65). In addition, the reductions will only apply to Participants and beneficiaries whose Annuity Starting Date is on or after April 21, 2008.

Employer Surcharge

Federal law requires that all contributing employers pay a surcharge to the plan to help correct the financial situation of a plan in critical status. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Because the Plan is operating under a rehabilitation plan, the employer surcharge is currently not applicable.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator at 694 Bev Road, Suite A, Boardman, OH 44512, or by calling 330-726-3745. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6720162. You have the right to request a copy of the Plan's rehabilitation plan and the actuarial and financial data that documents any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.