

# ***Ironworkers Pension Trust Fund For Colorado***

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## **NOTICE OF CRITICAL STATUS**

***For***

***Ironworkers Pension Trust Fund For Colorado***

***July 25, 2014***

This is to inform you that on June 27, 2014 the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Ironworkers Pension Trust Fund For Colorado (Plan) is in critical status for the plan year beginning April 1, 2014. Federal law requires that you receive this notice.

### **Critical Status**

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan was in critical status last year and is projected to incur an accumulated funding deficiency within the current or succeeding 9 Plan Years (current Plan Year). As a result, the Plan has not emerged from critical status in accordance with Internal Revenue Code Section 432(e)(4)(B).

### **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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after July 31, 2013. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of July 31, 2013, the Plan 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. However, the Plan may still pay mandatory lump sum distributions as required by law or any makeup payment in the case of a retroactive annuity starting date.

July 27, 2014

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***IRONWORKERS PENSION TRUST FUND FOR COLORADO***

**NOTICE OF CRITICAL STATUS**

*Page 2 of 2*

**Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of the adopted rehabilitation plan:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the Plan

**Employer Surcharge**

The law requires that all contributing employers pay the Plan a surcharge to help correct the Plan's financial situation. 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, until the applicable collective bargaining agreement includes terms consistent with an appropriate schedule pursuant to the rehabilitation plan adopted by the Board of Trustees on June 17, 2013 and effective August 1, 2013.

**Where to Get More Information**

For more information about this Notice, you may contact Zenith American Solutions by phone at (303) 428-2416 or by mail at 5511 W. 56<sup>th</sup> Avenue, Suite 250, Arvada CO 80002. You have a right to receive a copy of the rehabilitation plan from the Plan.

July 27, 2014