

Millmen's Retirement Trust of Washington

c/o William C. Earhart Company, Inc.
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TO: All Participants, Pensioners, Beneficiaries, Alternate Payees, Labor Unions, Employers Who Contribute to the Millmen's Retirement Trust of Washington, and the PBGC

DATE: June 2015

Notice of Critical Status

For

Millmen's Retirement Trust of Washington

TO: All Participants, Pensioners, Beneficiaries, Alternate Payees, Labor Unions, Employers Who Contribute to the Millmen's Retirement Trust of Washington, and the PBGC

DATE: June 2015

This Notice informs you that on May 29, 2015 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Millmen's Retirement Trust of Washington ("the Plan") is in critical status for the plan year beginning March 1, 2015. 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 sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan year exceeds the present value of all expected contributions for the year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and over the next four Plan years, the Plan is projected to have an accumulated funding deficiency for the 2019 Plan year. This means that contributions coming into the Plan are not expected to be sufficient to meet minimum contribution requirements as provided by the federal government. This does not mean that the Plan does not have sufficient assets to pay current retirees.

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 will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may apply only to participants and beneficiaries whose benefit commencement date is on or after June 28, 2015. But regardless of whether the Plan reduces adjustable benefits in the future, on and after June 28, 2015 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.

Adjustable Benefits

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

- Early retirement benefit or retirement-type subsidy;
- Disability benefits (if not yet in pay status);
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Post-retirement death benefits;
- Other similar benefits, rights, or features under the Plan, including pre-retirement death benefits.

Employer Surcharge

The law requires that all contributing employers pay to 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 in which the Plan is in critical status. Accordingly, employer contributions for covered hours on or after August 1, 2015 will be subject to the 5% surcharge. The surcharges will apply until the bargaining parties comply with the terms of the forthcoming rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact William C. Earhart Company, Inc. at 877-405-8339, PO Box 4148 (3140 N.E. Broadway), Portland, Oregon 97208. You have a right to receive a copy of the rehabilitation plan from the Plan when it is later adopted.