

NORTH CAROLINA CARPENTERS PENSION FUND

ADMINISTRATIVE OFFICE
P.O. BOX 13487
ROANOKE, VA 24034

LAWRENCE C. MUSGROVE ASSOCIATES, INC.
Administrators



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Notice of Critical Status for North Carolina Carpenters Pension Fund

EIN: 54-0927040

Plan No. : 001

Date: October 28, 2015

Participants, Beneficiaries, Participating Unions and Contributing Employers:

The Pension Protection Act ("PPA" or "Act"), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a Plan's "financial health" with participants and other interested parties directly related to the Plan.

Plan's Status for 2015 – Red Zone

On September 28, 2015, the Plan's actuary certified to the U.S. Department of the Treasury and the Board of Trustees that the Plan is in critical status (the "Red Zone") for the Plan Year beginning July 1, 2015. This is the second year the Plan is in critical status. Federal law requires that you be notified of the funding status of the Plan and its classification of critical status ("Red Zone"). The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary has determined that the Plan is projected to have a funding deficiency within four years.

Rehabilitation Plan and Reduction in Benefits

As previously explained, the "Rehabilitation Plan", which is designed to restore the financial health of the Plan, was adopted by the Board of Trustees on November 26, 2014 and subsequently adopted by the bargaining parties. In accordance with the Internal Revenue Code, on January 30, 2015, a Notice of Adjustment to Benefits Due to Critical Status was sent to you explaining the changes to the Plan as mandated under the Rehabilitation Plan. These changes generally apply to participants whose benefit commencement date is on or after March 1, 2015. The changes include elimination of early retirement, the 36-month guarantee on the life annuity form of payment, disability benefits, and the pre-retirement lump sum death benefit. In addition, effective July 1, 2015, the future monthly benefit accrual was set to equal 1% of \$3.50 times hours worked in a plan year, up to a maximum of 1,600 hours.

Where to Get More Information

Since the law requires that the Plan's funded status be reviewed and certified annually, notices like this one will be sent each year if the Plan is in critical status.

For more information about this Notice, you may contact:

Rhonda P. St.Clair
North Carolina Carpenters Pension Fund
P.O. Box 13487
Roanoke, VA 24034
540-345-7735 or 800-552-6972

We understand that legally required notices like this one can create concern about the Plan's future. We are working closely with our professional advisors to monitor the Plan's condition and develop strategies to improve the Fund's funding status and provide you with sound pensions.

Sincerely,

Board of Trustees

cc: Department of Labor
Pension Benefit Guaranty Corporation

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