

OPERATIVE PLASTERERS AND CEMENT MASONS LOCAL 109 PENSION PLAN
2015 NOTICE OF CRITICAL STATUS
August 2015

On July 29, 2015 the actuary for the Operative Plasterers and Cement Masons Local 109 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury and the Plan Sponsor (“Board of Trustees”) that the Plan continues to be in “critical status” for the 2015 Plan Year as defined by the *Pension Protection Act of 2006* (PPA). The 2015 Plan Year began on May 1, 2015 and will end on April 30, 2016. Federal law requires that you receive this Notice.

Critical Status

The Plan is in critical status because it has funding or liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan’s 2009 PPA certification date the Plan was projected to have an accumulated funding deficiency during the 2013 Plan Year. 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 2015 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 this 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 August 23, 2010, the Trustees of the Plan adopted a rehabilitation plan that has been ratified by the bargaining parties. The Plan is continuing to operate in accordance with this rehabilitation plan. For the 2015 Plan Year, the Plan’s actuary has certified that the Plan is making scheduled progress in meeting the requirements of its rehabilitation plan.

Rehabilitation Plan

Federal law requires pension plans in critical status to 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 rehabilitation plan implemented by the Operative Plasterers and Cement Masons Local 109 Pension Plan includes a reduction in the Future Service Multiplier and changes in the Plan’s Early Retirement Benefits. The changes in these benefits are outlined as follows:

1. *Reduction in the Future Service Multiplier.* The multiplier used to determine benefits earned under the Plan on or after May 1, 2011 was reduced to 0.8% of Employer contributions. This change will only be effective for contributions attributed to work performed on or after May 1, 2011 and will not reduce the amount of a participant's vested accrued benefit as of April 30, 2011.
2. *Changes to the Amount of Early Retirement Benefits.* Effective for retirements on or after December 1, 2010, eligibility for and the amount of the benefits payable under the Early Retirement provisions of the Plan were modified. A participant will receive an Early Retirement Benefit as follows:
 - A. An Active Participant who has attained at least age 55 and who has at least 10 Years of Vesting Service but less than 30 years of service with the local union will be entitled to a monthly pension benefit equal to his or her vested accrued benefit, actuarially reduced to reflect commencement of benefits prior to Normal Retirement Age (generally, age 65). A participant will be considered an Active Participant if he or she completes at least 400 Hours of Service in a Plan Year.
 - B. A Terminated Vested Participant will not be eligible to commence receipt of any Early Retirement Benefits from the Plan. A Terminated Vested Participant will be entitled to a monthly pension benefit equal to his or her vested accrued benefit at Normal Retirement Age (generally, age 65). A participant will be considered a Terminated Vested Participant if he or she fails to complete 400 Hours of Service in a Plan Year.

PPA also prohibits the Plan from paying the following benefits because they are considered "restricted benefits":

1. Effective August 27, 2010, the lump sum return of contributions pre-retirement death benefit will no longer be payable.
2. For retirements on or after August 27, 2010, the Joint & Survivor Annuity "pop-up" provision will no longer be available.
3. For retirements on or after August 27, 2010, the Joint & Survivor Annuity will no longer provide the guarantee of 120 monthly payments.
4. For retirements on or after August 27, 2010, the Single Life Annuity will no longer provide the guarantee of 60 monthly payments.

In addition, the rehabilitation plan calls for increases in the Plan's hourly contribution rates. The amount of the increases will be determined by the collective bargaining agreement (as applicable) in accordance with the following schedule:

Plan Year Ending April 30 th								
	2010	2011	2012	2013	2014	2015	2016	2017

Local #39

Building	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50
Plasterers	\$2.42	\$2.92	\$3.42	\$3.92	\$4.42	\$4.92	\$5.42	\$5.92
Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
WV Heavy Highway	\$3.30	\$3.80	\$4.25	\$4.57	\$4.88	\$5.20	\$5.52	\$6.50
711 Area	\$2.30	\$2.80	\$3.30	\$3.80	\$4.30	\$4.80	\$5.30	\$5.80
296 Area	\$2.30	\$2.80	\$3.30	\$3.80	\$4.30	\$4.80	\$5.30	\$5.80

Local #109

Building/Plasterers	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50

Local #132 Dayton

Building	\$4.10	\$4.60	\$4.92	\$5.23	\$5.55	\$5.87	\$6.18	\$6.50
Plasterers	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50

Local #132 Portsmouth

Building	\$4.50	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00	\$6.25	\$6.50
Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50

Local #132 Cincinnati

Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
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Local #132 Columbus

Heavy Highway	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
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Local #887 Charleston

Building	\$4.06	\$4.56	\$4.88	\$5.21	\$5.53	\$5.85	\$6.18	\$6.50
Plasterers	\$3.48	\$3.98	\$4.40	\$4.82	\$5.24	\$5.66	\$6.08	\$6.50

Local #887 Parkersburg

Building	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$6.00	\$6.50
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Local #887 Huntington

Building	\$5.53	\$5.67	\$5.81	\$5.95	\$6.08	\$6.22	\$6.36	\$6.50
Plasterers	\$4.06	\$4.41	\$4.76	\$5.11	\$5.45	\$5.80	\$6.15	\$6.50
Heavy Highway	\$5.00	\$5.21	\$5.43	\$5.64	\$5.86	\$6.07	\$6.29	\$6.50

You can request a copy of the rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Fund Office.

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:

- Unreduced Early Retirement benefits at age 55 for Active Participants with 30 or more years of service;
- Unreduced Early Retirement benefits at age 55 for Active Participants with 10 or more Years of Vesting Service;
- Total and Permanent Disability benefits (if not yet in pay status); and
- Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits and suspension rules.

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 August 27, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Operative Plasters and Cement Masons Local 109 Pension Plan at 33 Fitch Boulevard, Austintown, OH 44515, or by calling toll-free at 1-800-435-2388. For identification purposes, the official Plan number is 001 and the Plan sponsor's employer identification number, or "EIN", is 34-6622619.