

PA Local 47 Bricklayers and Allied Craftsmen Pension Plan

487 Devon Park Dr., Suite 206
• Wayne, PA 19087
(215) 657-7400-- Fax (215) 657-5589

O'Neill Consulting Corporation
Contract Administrator

Notice of Critical Status for the 2018 Plan Year

To: All Participants, Union, Contributing Employers, Pension Benefit Guaranty Corporation (PBGC) and United States Department of Labor (DOL)

The Pension Protection Act of 2006 ("PPA") amended ERISA and the Internal Revenue Code to, among other things, impose additional funding rules for multiemployer pension plans, which are based on the actuarial status of a pension plan. Under the PPA, a pension plan's actuary annually must certify to the Secretary of the Treasury and the plan's board of trustees whether or not the plan is in endangered or critical status for a particular plan year.

This is to inform you that on July 29, 2018, the Fund's actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees, that the Fund is in critical status for the plan year beginning May 1, 2018. Federal law requires that you receive this notice.

Critical Status

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund has an accumulated funding deficiency in the current Plan Year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the fourth year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On August 16, 2013, you were notified that the plan may reduce or eliminate adjustable benefits and that 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. On March 10, 2014, the Trustees adopted a Rehabilitation Plan. On June 26, 2018, the Trustees updated the 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 August 16, 2013.

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Adjustable Benefits

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

- Ten-Year Guarantee Option
- Husband-Wife 75% Pension
- Husband-Wife 100% Pension
- Disability Benefits (if not yet in pay status)

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund's financial situation until the rehabilitation plan has been adopted by the Trustees and approved by the parties to the collective bargaining agreement. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Fund 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 Fund is in critical status. The surcharge will cease upon the adoption of the rehabilitation plan by the Trustees and its approval by the parties to the collective bargaining agreement.

What's Next

The Board of Trustees understands that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. Also, if you are currently retired and receiving a monthly benefit payment from the Pension Fund, your monthly check will continue uninterrupted. As a final note, since the Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can further affect the Fund's status and may require additional future corrective actions. Each year, the Board of Trustees will review the Fund's progress with its professional advisors and adjust Fund rules as necessary to maintain the Fund's financial integrity.

Where to Get More Information

For more information about this Notice, you may contact the Fund's Contract Administrator, O'Neill Consulting Corp., 487 Devon Park Drive, Suite 206, Wayne, PA 19087-1808, PHONE 215-657-7400, FAX: 866-503-2240. You have a right to receive a copy of the rehabilitation plan from the Fund when it has been adopted by the Fund.