IRONWORKERS LOCAL 340 RETIREMENT INCOME PLAN
2017 NOTICE OF CRITICAL AND DECLINING STATUS
April 2017

On March 29, 2017 the actuary for the Ironworkers Local 340 Retirement Income Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan is in "critical and declining status" for the 2016 Plan Year as defined by the *Multiemployer Pension Reform Act of 2014* (MPRA). The 2017 Plan Year began on January 1, 2017 and will end on December 31, 2017. Federal law requires that you receive this Notice.

Critical and Declining Status

The Plan was certified as being in critical and declining status for the 2017 Plan Year because the Plan's actuary has determined that the Plan has an accumulated funding deficiency, a funded percentage less than 80%, and is projected to be insolvent within the next 20 years. Specifically, the Plan is projected to be insolvent in the 2031 Plan Year. Insolvent means that the Plan's available resources will not be sufficient to pay benefits under the Plan during the Plan Year for which they are due. Such insolvency may result in benefit reductions.

Benefit Adjustments under the Existing Rehabilitation Plan

In an effort to improve the Plan's funding situation, the Board of Trustees adopted an updated rehabilitation plan on July 30, 2014. Since the Plan is not expected to emerge from critical status, the updated rehabilitation plan includes the use of the "exhaustion of all reasonable measures" as allowed under the Pension Protection Act (PPA). This means that on an annual basis, the Board of Trustees will review updated projections based on reasonable actuarial assumptions to confirm that the rehabilitation plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from critical status at a later date. Scheduled progress will be determined based on the Plan continuing to forestall its insolvency.

The Plan Sponsor has taken the following legally permitted actions to prevent insolvency:

On January 2, 2013 and on July 31, 2013, you were notified that the Plan reduced or eliminated adjustable benefits and on September 30, 2008, you were notified 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.

If the Board of Trustees determines that further benefit reductions under the rehabilitation plan are necessary, you will receive a separate notice in the future explaining the effect of those reductions. Any reduction of adjustable benefits, **other than the possible benefit suspensions discussed below**, will not reduce the level of a participant's basic benefit payable at normal retirement.

You can request a copy of the Plan's rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Possibility of Additional Benefit Adjustments ("Benefit Suspensions")

Federal law allows the board of trustees of a multiemployer pension plan in critical and declining status to suspend benefits in order to avoid becoming insolvent. A suspension of benefits means a temporary or permanent reduction of current or future payment obligations of the plan to its participants, including those retirees and beneficiaries receiving monthly benefits from the plan at the time benefits are suspended, subject to the restrictions described below. Reductions in a participant's basic benefit payable at normal retirement may occur if benefits are suspended under MPRA.

As discussed below, even though the Plan is in critical and declining status, it has not yet met all of the conditions that would permit the Trustees to make benefit suspensions under MPRA. **Accordingly, the Plan has not implemented any benefit suspensions at this time. If the Board of Trustees determines that benefit suspensions are necessary, you will receive a separate notice in the future identifying and explaining any such benefit suspensions.**

There are several rules and conditions that must be satisfied before a plan is permitted to suspend benefits. For example, no benefit suspension may be implemented unless each of the plan's participants and beneficiaries are first notified of any potential suspensions and receive an individualized estimate describing the effect the suspension, if implemented, would have on their benefits. In addition, a plan must make an application to the Secretary of Treasury before any benefit suspensions can be made and the application cannot be submitted unless the plan's actuary certifies that the plan is projected to avoid insolvency if benefits are suspended.

The Secretary of Treasury, in consultation with the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of Labor, can approve, reject, or not provide comment on any benefit suspension applications that they receive. Plan participants are permitted to submit comments to the Federal government regarding any possible benefit suspensions, and a participant vote would be required before any suspension of benefits may take effect.

There are limitations and restrictions on benefits that may be suspended. For example, any suspension of accrued benefits may not reduce the level of a participant's benefit to less than 110% of the PBGC benefit guarantee level. There are also limits to the amount that benefits can be suspended for participants or beneficiaries who have attained age 75 as of the effective date of any benefit suspension. Participants or beneficiaries who have attained age 80 as of the effective date of any benefit suspension or who are receiving benefits based on disability (as defined under the plan) may not have their benefits suspended.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator at 1520 Kensington Road, Suite 200, Oak Brook, IL 60523, or by calling 630-230-3902. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 38-6233975.