

**Notice of Endangered Status  
For  
Indiana State Council of Carpenters Pension Plan**

This is to inform you that on June 29, 2016 the Plan Actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan emerged from critical status and is in endangered status for the plan year beginning April 1, 2016. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

**Endangered Status**

The Plan is considered to be in endangered status because it is projected to satisfy both of the following:

1. Funded percentage less than 80% – The Plan's actuary determined that the Plan's funded percentage is 71% on April 1, 2016. The "funded percentage" is the fraction of earned benefits that could be funded with existing Plan assets.
2. No projected accumulated funding deficiencies within the current or next 9 plan years – The Plan's actuary projects that, if no further action is taken, the Plan will not have an accumulated funding deficiency for the plan year ending March 31, 2017 or any of the 9 succeeding plan years.

**Funding Improvement Plan**

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at restoring the financial health of the Plan. This is the first year the Plan has been in endangered status. A funding improvement plan consists of the actions that the Board of Trustees determine are necessary in order for the Plan to increase the Plan's funding percentage and avoid accumulated funding deficiencies during the funding improvement period.

Once a funding improvement plan is adopted, the Plan will monitor the progress of the funding to determine whether the requirements of the funding improvement plan are met. As required by law, the funding improvement plan will require that the Plan's funded percentage improve at least one-third of the way to 100% over a 10-year period. This will require the Plan's funding improvement plan to include a funded percentage target of 80% by 2026. The Plan must also meet the Federal minimum funding requirements during the final year of this 10-year period. Based on the most current actuarial projections, it is anticipated that the Plan will be able meet or exceed these benchmarks.

Beginning June 29, 2016 and throughout the funding improvement period, the Plan cannot accept a collective bargaining agreement that reduces the level of contributions, suspends contributions related to any period of service or includes new exclusions on younger or newly hired employees. In addition, federal law limits the Plan's ability to improve benefits after June 29, 2016.

The Plan's funded status will be reviewed and certified annually. Similar notices explaining the outcome will be sent each year until the Plan is no longer in endangered or critical status.

**Commitment to Continued Improvement**

The goal of the Board of Trustees is that the Plan will emerge from endangered status and continue to see improved funded percentages. The Board of Trustees wants to assure you that it is committed to taking the appropriate steps to protect the security of your pension and preserving the financial viability of the Plan.

### **Where to Get More Information**

You have a right to receive a copy of the funding improvement plan once it has been formally approved by the Board of Trustees. It should be completed on or before February 24, 2017, and then provided to the bargaining parties for adoption. To receive a copy or for more information about this notice, you may contact the Board of Trustees of the Indiana State Council of Carpenters Pension Plan at 5420 W. Southern Avenue, Suite 407, Indianapolis, Indiana, 46241 or by telephone at (317) 248-2140.