

BRICKLAYERS AND MASONS LOCAL NO. 22 PENSION PLAN
2020 NOTICE OF CRITICAL STATUS
February 2021

On January 28, 2021 the actuary for the Bricklayers and Masons Local No. 22 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury and the Plan Sponsor (“Board of Trustees”) that the Plan is in “critical status” for the 2020 Plan Year as defined by the *Multiemployer Pension Reform Act of 2014* (MPRA). The 2020 Plan Year began on November 1, 2020 and will end on October 31, 2021. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in critical status because it has funding or liquidity problems, or both. The 2018 Plan Year was the first year that the Plan was certified to be in critical status. As of the Plan’s 2018 PPA certification date, the Plan’s actuary determined that the Plan would be in critical status for the 2021 Plan Year because an accumulated funding deficiency would occur in the 2024 Plan Year. The Board of Trustees elected to be in critical status for the 2018 Plan Year as allowed under MPRA in order to take steps to improve the funding position of the Plan.

It should be noted that an accumulated 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 expected to be insolvent.

The Plan continues to be in critical status for the 2020 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.

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 that pension plans in critical status adopt a rehabilitation plan aimed at improving the plan’s funding status. 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. Additional information regarding adjustable benefits offered under the Plan is outlined below.

The Board of Trustees adopted a rehabilitation plan that calls for scheduled increases in the hourly contribution rate. It also includes changes to the way that benefit and service are earned, as well as changes to the Plan’s Early Retirement, Disability Retirement and Pre-Retirement Death Benefits.

In addition, 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.

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. If the Board of Trustees determines that any additional benefit reductions are necessary, you will receive a separate notice in the future explaining the effect of those reductions.

Adjustable Benefits

The Plan offers the following adjustable benefits that could be reduced or eliminated as part of an amended rehabilitation plan:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Death benefits;
- Other similar benefits, rights, or features under the Plan including benefit payment options, other than a Qualified Joint & Survivor Annuity ("QJSA"), and suspension of benefit 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 62). In addition, the reductions will only apply to Participants and beneficiaries whose Annuity Starting Date is on or after April 1, 2019.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Bricklayers and Masons Local No. 22 Pension Plan, at P.O. Box 1530, Troy, MI 48099, or by calling toll-free at 1-866-822-7036. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 51-6029523.