

JOINT BOARD 18 PENSION FUND

This is to inform you that in September 2020 the Joint Board 18 Pension Fund's actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning July 1, 2020. 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. More specifically, the Joint Board 18 Pension Fund's (Pension Fund) actuary determined that the Pension Fund is approximately 80% funded but is projected to have an accumulated funding deficiency in the current fiscal year.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Pension Fund determine that additional 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 will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any additional reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 31, 2020. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of November 1, 2020 the Pension Fund 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.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Pension Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Pension Fund determine that additional 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) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any additional reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 31, 2020. The Trustees did previously adopt a Rehabilitation Plan. That Rehabilitation Plan is available at the Fund Office.

Adjustable Benefits

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

- Early retirement or Disability benefits or any retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);

Employer Surcharge

The law requires that all contributing employers pay to the Pension Fund a surcharge to help correct the Fund's financial situation until a Rehabilitation Plan is adopted. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Pension Fund under the applicable collective bargaining agreement. As a result, 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 plan is in both critical status and has not adopted a Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Fund office at 516-872-6690 or at 420 West Merrick Avenue, Valley Stream, NY 11580. You have a right to receive a copy of the rehabilitation plan from the plan.

October 28, 2020