Roofers Local No. 149 Pension Plan
EIN: 38-1425819/ PN: 001
Notice of Critical Status

This is to inform you that on August 29, 2012, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in critical status for the Plan year beginning June 1, 2012. 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 problem, or both. More specifically, the plan's actuary determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the 2015 Plan 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 Plan. 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 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 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 September 14, 2012. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of September 14, 2012, 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.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any future Rehabilitation Plan the Trustees may adopt:

- Post retirement death benefits
- Disability benefits
- Generous Early Retirement including unreduced (at Age 55 with 30 years, or Age + service=88)
- Free 50% Joint & Survivor form of annuity

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until such time as their collective bargaining agreements are updated to reflect the potential contribution increases required by the Rehabilitation Plan. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan 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 plan is in critical status. If applicable, these surcharges are used only to improve the Plan's funding and do not apply to any benefit accrual.

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Where to Get More Information

For more information about this notice, you may contact:

Mrs. Paula Johnson
Fund Administrator
BeneSys, Inc.
700 Tower Drive, Suite 300
Troy, MI 48098-2808
Email: paula.johnson@benesysinc.com

You have a right to receive a copy of the rehabilitation plan from the Plan once it is adopted. You may also make inquiry with the United States Department of Labor at:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
Washington, D.C. 20210

DATE SENT: ____________