

Bricklayers Local No. 47 Pension Fund

4785 Linglestown Road, Suite 200 • P.O. Box 6480 • Harrisburg, PA 17112-0480
(717) 671-8551 • Fax (717) 671-4937

PATH Administrators
Contract Administrator

Notice of Critical Status For PA Local 47 Bricklayers & Allied Craftsmen Pension Plan

This is to inform you that on July 29, 2014 the plan actuary certified to the U.S. Department of the Treasury, and the Trustees of the PA Local 47 Bricklayers & Allied Craftsmen Pension Plan, that the plan is in critical status for the plan year beginning May 1, 2014. 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 plan's actuary determined that over the next three plan years, the plan is projected to have an accumulated funding deficiency. The deficiency will occur in the 2015 plan year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the 2nd year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On August 16, 2013, you were notified that the plan may reduce or eliminate adjustable benefits and 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. On March 10, 2014, the Trustees adopted 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 (other than a repeal of a recent benefit increase, as described below) 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 August 16, 2013.

Adjustable Benefits

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

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- One hundred twenty-month payment guarantees;
- Subsidized joint & survivor annuity;
- Benefit payment options other than a qualified joint & survivor annuity (QJSA);

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Employer Surcharge

While a Fund is in critical status, the law requires that all contributing employers either comply with one of the contribution increase schedules of the Rehabilitation Plan or pay to the Pension Fund a surcharge to help correct the plan's financial situation. 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. A 10% surcharge is applicable for this plan year and each succeeding year while the plan is in critical status until such time as one of the contribution increase schedules is adopted. Since all contracts have adopted contribution increases in accordance with the Rehabilitation Plan, no contribution surcharge is due at this time.

Where to Get More Information

For more information about this Notice, you may contact the PA Local 47 Bricklayers & Allied Craftsmen Pension Plan, PATH Administrators at (717) 671-8551, 4785 Linglestown Road, Suite 200, P.O. Box 6480, Harrisburg, PA 17112-0480. You have a right to receive a copy of the Rehabilitation Plan upon request.