

IRON WORKERS LOCAL 28 PENSION FUND

NOTICE OF CRITICAL STATUS

January 30, 2013

EIN: 54-6112218

Plan No.: 001

To: Participants, Beneficiaries, Participating Unions and Contributing Employers

This notice is to inform you that on January 1, 2013 the plan actuary certified to the Board of Trustees of the Plan and to the US Department of Labor that the Plan is in critical status for the plan year beginning January 1, 2013. Federal law requires that you receive this notice.

CRITICAL STATUS

The Plan is considered to be in critical status because it has funding or financial liquidity problems, or both. More specifically, the Plan's actuary has determined that over the current year and the next three plan years the Plan is projected to have an accumulated funding deficiency for the plan year ending December 31, 2016, and that measure causes the Plan to be in critical status for the current 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. This is the first year the Plan has been in critical status. As part of the rehabilitation plan, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits." If the Trustees 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 January 30, 2013.

You should be aware that, whether or not the Plan reduces adjustable benefits in the future, effective as of January 30, 2013, 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) as long as the Plan remains in critical status.

ADJUSTABLE BENEFITS

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan as determined by the bargaining parties in collective bargaining:

1. Disability benefits (if not yet in pay status);
2. Early Retirement Benefit;
3. Sixty payment Death Benefit guarantee,
4. Other similar benefits, rights or features under the Plan.

EMPLOYER SURCHARGE

The law requires that all contributing employers pay to the plan a surcharge to help improve 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. 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. The surcharge is payable on contributions required for work performed on or after March 1, 2013 until a collective bargaining agreement or similar agreement such as an adoption agreement that satisfies the rehabilitation plan goes into effect. Once an employer agrees to and implements provisions of the rehabilitation plan, that employer will not be subject to the surcharge. In the case of this Fund, the initial increase in the hourly contribution rate of 40¢ to be effective January 1, 2013 has already been agreed to and implemented. The reduction in the benefit multiplier from 2.8% of credited contribution amounts to 2.5% of credited contributions amounts effective January 1, 2013 has also already been agreed to and implemented. As a result, there should be no need to impose a surcharge on any contributing employer.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact the Administrative Office located at 3321 Shenandoah Ave. NW, Roanoke, VA 24017 (Mailing Address: P. O. Box 13487, Roanoke, VA 24034) or by phone at (540) 345-7735 or (800) 552-6972. You have a right to receive a copy of the rehabilitation plan adopted by the Trustees.

This notice is only intended to be a very brief summary of the law and the upcoming potential changes to the Plan. It is not intended to be an exhaustive, complete description of the law or these changes. Please call the Administrative Office if you have any questions or do not understand this notice.