

THE BRICKLAYERS AND STONE MASONS UNION

LOCAL NO. 2 PENSION PLAN

Fund Office: GEM Group, Administrator, The Constellation Centre One, 6009 Oxon Hill Road, Suite 416, Oxon Hill, MD 20745
Phone: (301) 839-8800 / 1-800-424-2707 / Fax: (301) 839-8812

Notice of Critical Status

For
Bricklayers and Stonemasons Union No. 2 Pension Fund of Virginia

This is to inform you that on July 29, 2014 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 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 the plan is projected to have an accumulated funding deficiency for the 2014-2015 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. This is the seventh 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 28, 2008 you were notified that as of August 28, 2008 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. There was no reduction in benefits made as part of the rehabilitation plan adopted by the Trustees on July 31, 2008. The rehabilitation period is the thirteen year period that begins May 1, 2010. Effective November 1, 2010, the benefit rate for Future Service Accruals was reduced from \$62.00 to \$20.00 per month per year of service. In addition, effective July 1, 2010 the age requirement for early retirement was changed from age 55 to age 58, and the early retirement reduction for commencement ages below age 62 was changed from $\frac{1}{4}$ of 1 per cent to $\frac{1}{2}$ of 1 per cent for each month that the retirement age is less than age 62 for employees with service after April 30, 1991. If the trustees of the plan determine that further 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 30 days from the date of the change.

It was determined that with the changes to the benefits in the Plan, coupled with the Fund's investment performance, that the Plan made its scheduled progress under the rehabilitation plan.

54-6124583

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;
 - 120-month payment guarantees;
 - Disability benefits (if not yet in pay status);
 - Early retirement benefit or retirement-type subsidy;
 - Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
 - Recent benefit increases (i.e, occurring in past 5 years);
 - Other similar benefits, rights, or features under the plan {provide identification}
Pre-Retirement Death Benefit to Dependent Children
Automatic Pop-up Benefit under QJSA
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Where to Get More Information

For more information about this Notice, you may contact Bricklayers and Stonemasons Union No. 2 Pension Fund of Virginia at (301) 839-8800, c/o GemGroup, 6009 Oxon Hill Road, Suite 416, Oxon Hill, Maryland 20745. You have a right to receive a copy of the rehabilitation plan from the Fund Office.