

May 10, 2016

NOTICE OF CRITICAL STATUS

For Bricklayers and Masons' Local Union No. 5 Ohio, Pension Plan

This is to inform you that on May 9, 2016 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 March 1, 2016. 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 was projected to be in critical status in one of the subsequent five years after March 1, 2016. In that subsequent year, the plan's normal cost plus interest on the unfunded liability exceeds the present value of employer contributions; the present value of nonforfeitable benefits for inactive participants is greater than the present value of nonforfeitable benefits of active participants; and the plan is expected to have a funding deficiency for the plan year or any of the four succeeding plan years.

Because the plan was projected to be in critical status within the next five plan years, the plan sponsor elected for the plan to be in critical status for the current plan year, as permitted under the law.

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 the date of this notice. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of the date of this notice, 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 rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Sixty-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);
- Pre-retirement lump sum death benefits

Employer Surcharge

The law requires that all contributing employers pay to the plan 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. 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. Contributing employers can avoid the surcharge by adopting a collective bargaining agreement with contribution rates that comply with the terms of the rehabilitation plan.

Where to Get More Information

For more information about this notice, you may contact:

Board of Trustees
Bricklayers and Masons' Local Union No. 5, Ohio Pension Plan
6200 Rockside Woods Blvd., N. Suite 210
Independence, Ohio 44131
(216) 520-1644

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 62-1523674.

You have a right to receive a copy of the rehabilitation plan.