

ROOFERS LOCAL NO. 75 PENSION FUND
2017 NOTICE OF CRITICAL STATUS
September 2017

On August 28, 2017 the actuary for the Roofers Local No. 75 Pension Fund ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan is considered to be in critical status for the 2017 Plan Year as defined by the *Pension Protection Act of 2006* (PPA). The 2017 Plan Year began on June 1, 2017 and will end on May 31, 2018. Federal law requires that you receive this Notice.

Critical Status

The Roofers Local No. 75 Pension Fund is in critical status because the Plan has funding or liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. The Plan continues to be in critical status for the 2017 Plan Year because the Plan's Actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out of critical status. In order to pass this test, the Plan's actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

On December 15, 2010, the Trustees of the Plan adopted a rehabilitation plan that was ratified by the bargaining parties. This plan has been updated to reflect Plan experience. The Plan's Actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires that plans in critical status adopt a rehabilitation plan aimed at improving the plan's funded percentage. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of "adjustable benefits", and/or (3) increases in the hourly contribution rate. Federal law also stipulates that plans in critical status are not allowed to pay "restricted benefits", such as lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity.

In an effort to improve the Plan's funding situation, the Board of Trustees adopted a rehabilitation plan that includes changes to the Plan's Early Retirement and Total & Permanent Disability Benefits, and the elimination of the return of contributions death benefit and the pop-up benefit. In addition, on and after September 24, 2010, 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. The rehabilitation plan also includes scheduled increases in the hourly contribution rate.

The rehabilitation plan will continue to be reviewed annually with the Plan's actuary and other professionals. It may be amended to include additional benefit reductions and/or contribution increases based upon such review. You can request a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrates any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Adjustable Benefits

If it is ever determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Early Retirement benefits or retirement-type subsidies;
- Disability benefits (if not yet in pay status);
- Qualified Pre-Retirement Survivor Annuity ("QPSA"); and
- Benefit payment options other than a qualified joint and survivor annuity ("QJSA").

If the Board of Trustees ever determines that further benefit reductions are necessary, you will receive a separate Notice identifying the type of the reduction and the effect of those reductions. Any reduction in adjustable benefits will not reduce the level of your basic benefit payable at your Normal Retirement Age. In addition, the reductions will only apply to Participants and beneficiaries whose Annuity Starting Date is on or after September 24, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Roofers Local No. 75 Pension Fund, at HealthSCOPE Benefits, 8901 Otis Avenue, Suite 200, Indianapolis, IN 46216, or by calling 800-398-9943. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-1010072.