Plumbers and Pipefitters Local No. 520 Pension Fund

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PATH ADMINISTRATORS
Contract Administrator

Notice of Endangered Status for the Plumbers and Pipefitters Local No. 520 Pension Fund

To: All Participants, Union, Contributing Employers, Pension Benefit Guaranty Corporation (PBGC), and United States Department of Labor (DOL)

This Notice is to inform you that on July 28, 2017, the actuary for the Plumbers and Pipefitters Local No. 520 Pension Fund (hereinafter the "Fund") certified to the United States Department of the Treasury, and also to the Board of Trustees of the Fund, that the Fund is in Endangered Status for the Plan Year beginning May 1, 2017. Federal law—the Pension Protection Act of 2006 (PPA)—requires the Board of Trustees of the Fund provide notice of this certification to the Fund's Participants, Union, Employers, the PBGC and DOL.

Endangered Status

The Fund is considered to be in Endangered Status. More specifically, based on the PPA's new funding provisions and requirements the Fund's actuary determined that the Fund's funded percentage for the 2017 Plan Year is less than 80%. The funded percentage is arrived at by comparing the estimated present value of all of the accrued benefits against the value of the Fund's assets as of April 30, 2017. Having received this certification from the Fund's actuary, the Board of Trustees must adopt a Funding Improvement Plan.

Funding Improvement Plan

The Funding Improvement Plan adopted by the Board of Trustees must avoid a funding deficiency for any Plan Year during the Funding Improvement Period, and increase the Fund's funded percentage by one-third of the difference between the current funding percentage and 100%.

The Funding Improvement Period is a ten-year period that begins after the earlier of either: (1) the second anniversary of the adoption of the Funding Improvement Plan, or (2) the expiration of the collective bargaining agreements that are in effect when the actuarial certification was issued, and that cover at least 75% of the Fund's Active Participants at that time. It is possible for the Funding Improvement Period to commence before the Funding Improvement Plan is adopted. The Funding Improvement Period may last fewer than ten years if the Fund is no longer in Endangered Status.

During the Funding Improvement Period, the Fund's actuary must annually certify the Fund's progress toward meeting the targets established in the Funding Improvement Plan, and the Board of Trustees in turn must suggest necessary adjustments and provide a status report in

their annual Notice of Endangered Status to the Fund's Participants, Union, Employers, PBGC and DOL.

During the time when a Funding Improvement Plan is being considered, and after it has been adopted, the Board of Trustees cannot accept a collective bargaining agreement that provides for: (1) a reduction in contribution rates, (2) a suspension of contributions, (3) the exclusion of new hires, or (4) benefit improvements—unless the Fund's actuary certifies that the improvements are consistent with the Funding Improvement Plan. Additionally, once a Funding Improvement Plan has been adopted, the Fund may not be amended so as to increase benefits unless the Fund's actuary certifies that the benefit increases are consistent with the Funding Improvement Plan and can be paid for out of contributions not required by the Funding Improvement Plan.

Fund's Adoption of No-Action Funding Improvement Plan and Certification of Scheduled Progress

The Plan was certified in Endangered Status for the 2008 Plan Year. The ten-year Funding Improvement Period began May 1, 2009, and runs through April 30, 2019. Accordingly, negotiated contribution increases were deemed to constitute a Funding Improvement Plan by the Trustees. A current projection has the Fund exiting Endangered Status before the end of the Funding Improvement Period.

What's Next

The Board of Trustees understands that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. Also, if you are currently retired and receiving a monthly benefit payment from the Pension Fund, your monthly check will continue uninterrupted. As a final note, since the Fund is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can further affect the Fund's status and may require additional future corrective actions. Each year, the Board of Trustees will review the Fund's progress with its professional advisors and adjust Fund rules as necessary to maintain the Fund's financial integrity.

Where to Get More Information

For more information about this Notice, you may contact the Fund's Contract Administrator, PATH Administrators. You will have a right to request a copy of the No-Action Funding Improvement Plan and annual updates to the No-Action Funding Improvement Plan from the Fund.