

**GLAZIERS LOCAL NO. 387 PENSION PLAN**  
**2012 NOTICE OF CRITICAL STATUS**  
*March 2013*

On February 11, 2013, the Plan actuary for the Glaziers Local No. 387 Pension Plan (“Plan”) certified to the United States Department of the Treasury, and also to the Plan Sponsor (“the Board of Trustees”), that the Plan is in critical status for the 2012 Plan Year, which began on December 1, 2012 and ends November 30, 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 liquidity problems, or both. The 2009 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan’s 2009 PPA certification date the Plan’s actuary determined that the Plan was projected to have an accumulated funding deficiency for the 2013 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2012 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 the Emergence 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 February 17, 2010 the Board of Trustees adopted a rehabilitation plan as required by the *Pension Protection Act of 2006* and the Plan is operating under this rehabilitation plan. The Plan’s actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

**Rehabilitation Plan**

Federal law requires that pension plans in critical status adopt a rehabilitation plan aimed at restoring the financial health of the plan. 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 requires that pension plans in critical status are not allowed to pay “restricted benefits”.

On March 24, 2010 you were notified that the Plan is not allowed to pay any lump sum benefits, including lump sum disability benefits and lump sum death benefits, or any other payment in excess of the monthly amount paid under a single life annuity. The Plan is not allowed to pay these benefits since they are considered “restricted benefits” under Federal law.

On February 17, 2010, the Board of Trustees adopted a rehabilitation plan that eliminated the fully subsidized Joint and 100% Survivor Annuity. A participant who commences receipt of benefits on or after May 1, 2010 will still be able to elect to receive Joint and 100% Survivor Annuity benefit. However, this form of payment will be paid on an actuarially equivalent basis. The Plan has also been amended to offer two other actuarially equivalent Joint and Survivor Annuity benefits – a Joint and 75% Survivor Annuity benefit and a Joint and 50% Survivor Annuity benefit.

The retirement benefit earned by a participant under the Plan will be paid as a monthly pension for his lifetime. If a participant is not married when he retires, his benefit will be paid as a Single Life Annuity. Under this form of payment, he will get monthly pension payments for his lifetime. Upon his death, all monthly benefits payments will stop.

If the participant is legally married at his benefit commencement date, his benefit will be paid as an actuarially equivalent Joint and 50% Survivor Annuity. The participant will receive monthly pension payments for his lifetime. Upon his death, his spouse will receive a monthly benefit equal to 50% of the benefit being paid to the participant at his death. A participant can elect to waive this form of payment and instead receive his benefit as a Single Life Annuity. However, to do so, his spouse must consent to his election and waive her right to a benefit upon his death.

Please note that the changes described above will only apply to participants and beneficiaries whose benefit commencement date is on or after May 1, 2010. Participants who were receiving benefits from the Plan as of May 1, 2010 were **NOT** impacted by this change.

### **Adjustable Benefits**

If 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:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Benefit payment options, other than a qualified joint-and survivor annuity (QJSA);
- Other similar benefits, rights, or features under the plan, including the Plan's pre-retirement death benefits and suspension rules.

If the Board of Trustees of the Plan ever determines that any benefit reductions are necessary, you would receive a separate Notice identifying the reductions and explaining their effect. Any reduction of "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 benefit commencement date is on or after March 24, 2010.

### **Where to Get More Information**

For more information about this Notice, you can contact the Board of Trustees of the Glaziers Local No. 387 Pension Plan at 205 West Fourth Street, Suite 225, Cincinnati, OH 45202, or by calling 513-381-6886. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127281. You have the right to 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.