

**Notice of Critical Status  
For  
Central New York Painters & Allied Trades Defined Benefit Pension Plan**

This is to inform you that on September 27, 2013 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 July 1, 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. More specifically, the plan's actuary determined that the plan was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency. Note that the plan is projected to have an accumulated funding deficiency for the 2013 plan year.

**Rehabilitation Plan**

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 sixth 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. In December 2008, you were notified that the plan reduced or eliminated adjustable benefits. Previously, you were notified that as of August 21, 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. 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 about May 1, 2008 and beyond.

**Adjustable Benefits**

The plan offers the following adjustable benefits which may still be reduced or eliminated as part of any revised rehabilitation plan. Although these benefits were not eliminated, much of the additional value of these benefits was reduced under the current rehabilitation plan:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Other similar benefits, rights, or features under the plan including the incidental death benefit

You will receive a separate notice if the Trustees decide to adjust benefits again, if any, as part of a revised rehabilitation plan. In addition, any adjustment would not apply participants and beneficiaries whose benefit commencement date is on or about May 1, 2008 and beyond.

**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. The surcharge ends for an employer once its collective bargaining agreement incorporates one of the options of the rehabilitation plan.

**Where to Get More Information**

For more information about this Notice, you may contact:

Richard Poulaino  
Insurance Programmers, Inc.  
10 Technology Drive, P.O. Box 5817  
Wallingford, CT 06492-7617  
1 (800) 446-8646  
[poulaino@insuranceprogrammers.com](mailto:poulaino@insuranceprogrammers.com)

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