

IRON WORKERS LOCAL NO. 16 PENSION FUND

Fund Office: GEMGroup, Administrator, Oxford Building, Suite 624, 8600 LaSalle Road, Towson, MD 21286
Phone: (410) 828-5282 / Fax: (410) 828-5464

NOTICE OF CRITICAL STATUS

This is to inform you that on March 28, 2014 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 January 1, 2014. 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 funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the plan year ending December 31, 2017.

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 third 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. On or about March 23, 2012, you were notified that the plan reduced or eliminated adjustable benefits, and notified that 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. On or about November 12, 2013, you were notified that the plan further reduced or eliminated adjustable benefits. 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 after March 23, 2012.

Adjustable Benefits

The plan offers the following additional adjustable benefits which could be reduced or eliminated as part of any amended rehabilitation plan the pension plan could adopt:

- Post-retirement death benefits;
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Pre-retirement death benefits other than a qualified preretirement survivor annuity (QPSA).

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 law provides that the employer surcharge ceases to apply on the effective date of a bargaining agreement that includes terms consistent with a rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact the Ironworkers Local No. 16 Pension Fund, c/o GEMGroup, Inc., 8600 LaSalle Road, Oxford Building – Suite 624, Towson MD 21286, or by phone at 410.828.5282. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6148924. You have a right to receive a copy of the rehabilitation plan from the plan when it is completed.

Issued: April 2014