

ADMINISTRATION OFFICE
CARPENTERS HEALTH FUND OF WEST VIRGINIA
CARPENTERS PENSION FUND OF WEST VIRGINIA

3150 U.S. ROUTE 60 - ONA, WV 25545 - (304) 525-0331

Notice of Critical Status
For
Carpenters Pension Fund of West Virginia

EBSA/PUBLIC NOTICE
2015 APR 20 PM 2:

This is to inform you that on March 31, 2015 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan emerged from critical status and into endangered status for the plan year beginning January 1, 2015. The actuary also certified the plan is projected to return to critical status within the next 5 years. As a result, the trustees elected to remain in critical status. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is considered to be in critical status because it is projected to satisfy the following:

Projected to be in critical status within the next 5 plan years

On March 31, 2015, the Plan actuary certified that the plan emerged from Critical status and is now in Endangered status for the plan year beginning January 1, 2015. The Plan actuary projects that, if no further action is taken, the Plan will re-enter critical status next year because of a projected funding deficiency as of December 31, 2021. These projections reflect the fact that the plan's mortality assumption will be revised this year to reflect new industry mortality tables recently released. However, even without this expected change in actuarial assumptions, the plan was still projected to return to critical status within the next five years. The Board of Trustees elected to remain in Critical Status under section 102 of the Multiemployer Pension Reform Act of 2014 for the plan year beginning January 1, 2015. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies;
- Post-retirement death benefits;

On April 25, 2013, the Trustees adopted a rehabilitation plan that calls for annual contribution increases to enable the pension plan to improve its funded status over time. No benefit reductions were included. The rehabilitation plan must be reviewed annually. If the Trustees of the Plan determine that the above benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. But you should know that whether or not the Plan reduces adjustable benefits, effective as of April 26, 2013, the Plan is not permitted to pay any 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.

Future Experience and Possible Adjustments

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.50% (in the 2015 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact American Benefit Corporation at 3150 US Route 60, Ona, WV 25545 or by telephone at (304) 525-0331.