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April 30, 2015

NOTICE OF CRITICAL STATUS CERTIFICATION
For
PACE Industry Union-Management Pension Fund

The purpose of this Notice is to inform you that, on March 31, 2015, the actuary of the PACE Industry Union-Management Pension Fund ("Fund") certified to the U.S. Department of the Treasury, and also to the Board of Trustees of the Fund, that the Fund is in critical status for the Plan Year beginning January 1, 2015. Federal law requires that you receive this Notice.

Critical Status

The Fund is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Fund's actuary determined that the Fund had an accumulated funding deficiency in the year ended December 31, 2013. This means that contributions will not be enough to meet government standards for funding promised benefits plus those that participants are currently earning.

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 Fund. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Fund's Board of Trustees adopted a Rehabilitation Plan in July 2010; on July 30, 2010 you received a notice describing the benefit reductions that were made as a result of the Plan being in critical status and the applicable effective dates of these 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 can only apply to those participants and beneficiaries whose benefit commencement date is on or after April 30, 2010. Effective as of April 30, 2010, the Fund 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.

PACE Industry Union-Management Pension Fund

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Adjustable Benefits

The Fund offered the following adjustable benefits, some of which were reduced or eliminated as part of the Fund's rehabilitation plan:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Recent benefit increases (i.e. occurring in the past 5 years);
- Other similar benefits, rights or features under the Plan (i.e. 120-month payment guarantees, certain pre-retirement death benefits, "pop-up" benefit)

Employer Surcharge

The law requires that all contributing employers pay to the Fund a surcharge to help correct the Fund'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 Fund under the applicable collective bargaining agreement. Since the Fund is in critical status, a 10% surcharge applies for each Plan Year in which the Fund is in critical status until the effective date of an agreement between the employer and union that includes terms consistent with the Fund's rehabilitation plan and the Fund's governing documents and policies.

Where to Get More Information

For more information about this Notice, you may contact the Fund Office at 3320 Perimeter Hill Drive, Nashville, TN 37211, 1-800-474-8673, or at pensions@uswbenefitfunds.com. You have a right to receive a copy of the rehabilitation plan from the Fund.