

Notice of Critical Status**For****United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Local 198 AFL-CIO Pension Plan**

This is to inform you that on November 24, 2015 the plan actuary again certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan remains in critical status for the plan year beginning September 1, 2015. 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 the plan is projected to have an accumulated funding deficiency for the plan year beginning September 1, 2017. This is the eighth year the plan has been in critical status.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On March 30, 2009, you were notified that the plan reduced or eliminated adjustable benefits. On July 30, 2007, you were notified that as of July 30, 2007 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 after July 30, 2007.

Adjustable Benefits

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

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if 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 past 5 years);
- Other similar benefits, rights, or features under the plan such as the lump sum death benefit

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. Since this is the eighth year that the plan has been certified in critical status, any employer who has not yet adopted the rehabilitation plan will be subject to a 10% surcharge on contributions.

Where to Get More Information

For more information about this Notice, you may contact:

Board of Trustees of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Local 198 AFL-CIO Pension Plan, Gene Pourciau, Administrative Manager
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You have a right to receive a copy of the rehabilitation plan from the Pension Plan.