This is to inform you that on March 30, 2017 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, 2017. 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 2020 plan year. Note this does not mean that the Plan is insolvent and does not mean that the Plan cannot currently pay benefits as they become due.

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 first 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. Accompanying this letter is a notification that the plan reduced or eliminated certain adjustable benefits. As of May 1, 2017 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 June 2, 2017.

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
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. In the particular circumstances of this Plan, however, the surcharge may not apply because the Trustees have adopted a Rehabilitation Plan and the bargaining parties have the opportunity to agree upon and implement the Rehabilitation Plan prior to the effective date of the surcharge.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrative Agent, Carday Associates, Inc. at 7130 Columbia Gateway Drive, Suite A, Columbia, Maryland 21046 or by phone at 410-872-9500. For identification purposes, the official plan number is 001 and the plan sponsor’s employer identification number or “EIN” is 51-6011235. You have a right to receive a copy of the Rehabilitation Plan from the plan.

Issued: April, 2017