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KANSAS CONSTRUCTION TRADES FRINGE BENEFIT FUNDS

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Notice of Critical Status For Kansas Construction Trades Open End Pension Trust Fund

This is to inform you that on March 31, 2017 the Plan Actuary certified to the U.S. Department of the Treasury and 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. 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 still considered to be in critical status because it is projected to satisfy the following:

Projected accumulated funding deficiency within the current or next 9 plan years

The Plan's actuary projects that, if no further action is taken, the Plan will have an accumulated funding deficiency for the plan year ending December 31, 2017. 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 of April 30, 2010) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits
- Early retirement benefits or subsidies;

As of May 22, 2010, certain benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these reductions on January 21, 2010. As of January 1, 2017, additional benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these additional changes on December 16, 2016. If the Trustees of the Plan determine that yet more benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Additionally, effective April 30, 2010, the Plan is not permitted to pay any lump sum benefits in excess of \$5,000 (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%

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(in the 2017 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 and any updates to that plan. To receive a copy of the latest version, you may contact the Plan Administrator at 4101 SW Southgate Drive, Topeka, KS 66609-1227 or by telephone at (785) 267-0140.