

SHEET METAL WORKERS LOCAL 44 RETIREMENT INCOME PLAN

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EBSA/PUBLIC DISCLOSURE

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Notice of Critical Status For

Sheet Metal Workers Local #44 Retirement Income Plan

This is to inform you that on March 31, 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 plan has an accumulated funding deficiency for the current plan year without consideration of an extension of certain amortized liabilities. It is important to note that the plan is not in the newly created classification of "critical and declining" status because plan assets are not projected to be exhausted at any point in the future after taking into account the impact of future contribution rate increases.

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 10th 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. On October 30, 2008, you were notified that as of October 30, 2008 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. On December 9, 2008, you were notified that the Trustees adopted a Rehabilitation Plan that required contribution increases through May 1, 2018 and changed the annual benefit accrual level to 1.25% of contributions to a maximum of \$100. On March 2, 2015, the Trustees extended the required contribution increases in the Rehabilitation Plan through May 1, 2022. 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 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 October 30, 2008.

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:

- 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);

Employer Surcharge

While a Fund is in critical status, the law requires that all contributing employers either comply with one of the contribution increase schedules of the Rehabilitation Plan or pay to the Pension Fund a surcharge to help correct the Pension 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 plan under the applicable collective bargaining agreement. A 10% surcharge is applicable for this plan year and for each succeeding year while the Fund is in critical status until such time as one of the contribution increase schedules is adopted. Since all contracts have adopted the Rehabilitation Plan, no contribution surcharge is due at this time.

Where to Get More Information

For more information about this Notice, you may contact O'Neill Consulting Corporation at 487 Devon Park Drive, Suite 206, Wayne, PA 19087, by telephone at 215-657-7400 or by fax at 866-503-2240. You have a right to receive a copy of the Rehabilitation Plan from the plan.