

ALLIED WORKERS LOCAL 48 PENSION PLAN

Administered by Southern Benefit Administrators, Incorporated

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Notice of Critical Status For

Allied Workers Local 48 Pension Plan

This is to inform you that on September 27, 2018 the plan actuary 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 July 1, 2018. 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 2018/2019 plan year.

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. This is the tenth 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. As part of the rehabilitation plan adopted by the Trustees on July 1, 2009 certain adjustable benefits were eliminated or reduced. These changes were outlined in the July 2, 2009 "Notice of Adjustment to Benefits Due to Critical Status" and affect benefits received after July 31, 2009. 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 2, 2009, the date all participants were informed that adjustable benefits may need to be reduced or eliminated. You should also know that effective as of July 2, 2009, 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.

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);
- Other similar benefits, rights, or features under the plan such as the lump sum death benefit

Employer Surcharge

The law requires that contributing employers who have not yet adopted the rehabilitation plan 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 tenth 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 Allied Workers Local 48 Pension Plan

c/o Southern Benefit Administrators, Inc.

P.O. Box 1449 Goodlettsville, TN 37070

(800) 831-4914

You have a right to receive a copy of the rehabilitation plan from the plan.