



BRICKLAYERS LOCAL 22

Fringe Benefit Funds

P.O. Box 1530

Troy, MI 48099-1530

(248) 641-4922 (866) 822-7036 – Toll Free

BRICKLAYERS AND MASONS LOCAL NO. 22 PENSION PLAN 2018 NOTICE OF CRITICAL STATUS *February 2019*

On January 29, 2019 the actuary for the Bricklayers and Masons Local No. 22 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury and the Plan Sponsor (“Board of Trustees”) that the Plan is in “critical status” for the 2018 Plan Year as defined by the *Multiemployer Pension Reform Act of 2014* (MPRA). The 2018 Plan Year began on November 1, 2018 and will end on October 31, 2019. 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, if no further action was taken, the Plan would be in critical status for the Plan Year beginning November 1, 2021 because an accumulated funding deficiency (not recognizing any amortization extensions) would occur for the Plan Year ending October 31, 2025. Accordingly, in order to avoid the need for greater benefit reductions and contribution increases at that time, the Board of Trustees elected to be in critical status beginning November 1, 2018 and take more measured steps today to improve the funding of the Plan.

It should be noted that an accumulated funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is expected to be insolvent.

Rehabilitation Plan

Federal law requires that pension plans in critical status adopt a rehabilitation plan aimed at improving the plan’s funding status. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of “adjustable benefits”, and/or (3) increases in the hourly contribution rate. Additional information regarding adjustable benefits offered under the Plan is outlined below.

Federal law also stipulates that plans in critical status are not allowed to pay “restricted benefits”, such as lump sum benefits or any other payment in excess of the monthly amount paid under a Single Life Annuity. Therefore, the lump sum return of contributions death benefit will not be payable for deaths occurring on or after February 28, 2019.

Adjustable Benefits

The Plan offers the following adjustable benefits that could be reduced or eliminated as part of a rehabilitation plan adopted by the Board of Trustees:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Death benefits;
- Other similar benefits, rights, or features under the Plan including benefit payment options, other than a Qualified Joint & Survivor Annuity (“QJSA”), and suspension of benefit rules.

The Plan benefits that were changed under the rehabilitation plan adopted by the Board of Trustees are described in the Summary of Material Modifications enclosed with his Notice. Note that the reduction of the Plan's adjustable benefits will not reduce the amount of your basic benefit payable at your Normal Retirement Date (generally, age 62) and these reductions will only apply to participants and beneficiaries whose benefit commencement date is on or after April 1, 2019.

Employer Surcharge

Federal pension 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.

If the rehabilitation plan adopted by the Board of Trustees is not approved by the Plan's Bargaining Parties before March 31, 2019, then the Plan's contributing employers would be required to add 5% to their Pension Plan remittances for all hours worked on or after April 1, 2019. The 5% surcharge would increase to 10% for all hours worked on or after November 1, 2019 if the Bargaining Parties do not approve the rehabilitation plan before November 1, 2019.

The Plan's contributing employers will be notified in a separate mailing if the rehabilitation plan is not approved and the surcharge is required.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Bricklayers and Masons Local No. 22 Pension Plan, at P.O. Box 1530, Troy, MI 48099, or by calling toll-free at 1-866-822-7036. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 51-6029523.