Notice of Critical Status
For
International Association of Machinists Motor City Pension Fund

This is to inform you that on September 28, 2018 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 July 1, 2018. 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 considered to be in critical status because it is projected to satisfy the following:

Projected accumulated funding deficiency within the current or next 3 plan years
The Plan’s actuary projects that, if no further action is taken, the Plan has an existing accumulated funding deficiency and will have an accumulated funding deficiency for the plan year ending June 30, 2019. 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. The rehabilitation period began on July 1, 2010 and ends June 30, 2031. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Trustees have adopted a rehabilitation plan that includes changes in the Plan’s adjustable benefits. The Plan's adjustable benefits include the following:

- 60-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefits or subsidies;
- Post-retirement death benefits.

As of January 1, 2009, certain benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these reductions on October 29, 2008. The reductions only apply to participants and beneficiaries whose benefit commencement date is on or after January 1, 2009. Additionally, effective January 1, 2018, most benefits earned through January 1, 2018 were reduced to 110% of the PBGC guarantee. Disabled participants and retired participants and beneficiaries age 80 by the end of January 2018 were fully protected from this reduction. Retired participants and beneficiaries age 75 by the end of January 2018 were partly protected. All benefit protections were required by law. Refer to the notice that was mailed to you on March 31, 2017 for more information on how this benefit reduction has affected your benefit. Also, 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 or critical and declining 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 6.40% for the next 9 years then 7.50% thereafter (in the 2018 plan year or later), a drop in the weeks 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. To receive a copy of the rehabilitation plan, you may contact the Plan Administrator at P.O. Box 1438, Troy, MI 48099-1438 or by telephone at (248) 641-4951.