

SHEET METAL WORKERS LOCAL 44 RETIREMENT INCOME PLAN

487 DEVON PARK DRIVE • SUITE 206
WAYNE, PA 19087

Employer Contributions

While a Fund is in critical status, the law requires that the contribution rate be increased to the level of the Rehabilitation Plan or pay to the Pension Plan. The amount of the contribution rate is determined by the Pension Plan's financial condition. The amount of the contribution rate is equal to a percentage of the amount of the Pension Plan's contribution rate. The amount of the contribution rate is equal to a percentage of the amount of the Pension Plan's contribution rate. The amount of the contribution rate is equal to a percentage of the amount of the Pension Plan's contribution rate.

Notice of Critical Status For

Sheet Metal Workers Local #44 Retirement Income Plan

This is to inform you that on March 31, 2018 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, 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 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 11th 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);
- Death benefits for single participants

