

Bricklayers and Allied Craftworkers Local No. 3 N.Y.
Buffalo Chapter Benefit Funds

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Notice of Critical Status
Bricklayers and Allied Craftworkers Local No. 3, New York,
Niagara Falls-Buffalo Chapter Pension Plan

September 13, 2019

Participants, Beneficiaries, Contributing Employers and Bricklayers and Allied Craftworkers Local No. 3, New York:

This is to inform you that on August 29, 2019, the actuary for the Bricklayers and Allied Craftworkers Local No. 3, New York, Niagara Falls-Buffalo Chapter Pension Plan (the "Fund") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Fund is in critical status for the plan year beginning June 1, 2019. Federal law requires that you receive this notice.

Introduction

The Pension Protection Act ("PPA"), signed into law in 2006, is intended to improve the financial condition of pension funds. The Act introduced several formal safeguards and controls and added notification requirements for Trustees to share more information about a fund's financial circumstances with participants, contributing employers and others directly related to the pension plan.

Many of the Act's provisions relate to funding, which, in simplest terms, is how much a pension plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The safeguards are intended to create more discipline to prevent future funding problems and correct those that have already developed.

The Act requires us to test the Fund annually to classify its funding status. Standardized measurements are established for classifying pension plans based on their funding issues. Funds that are in "seriously endangered" or "endangered" status (also referred to as yellow zone) or "critical" status (or, red zone) must notify all fund participants, beneficiaries, unions, and contributing employers of the fund's status, as well as take corrective action to restore the fund's financial health.

Fund's Status – Red Zone

The Fund is in critical status (red zone) as of June 1, 2019 as a result of the actuary's determination that:

- The Fund has a funded percentage of less than 65% and has an accumulated funding deficiency for the plan year ending May 31, 2019. What this means is that employer contributions to the fund have not been sufficient to meet government standards for funding promised benefits plus those benefits that participants are currently earning.

Rehabilitation Plan and Possibility of Reduction in Benefits:

The Act requires that a fund in the red zone adopt a Rehabilitation Plan designed to enable the fund to improve its funded position so that, over time, it will be able to meet the statutory funding requirements. The Rehabilitation Plan, which was adopted as of October 4, 2010 and revised as of August 20, 2019, consists of a schedule of recommended contribution increases and reductions in benefits. The bargaining parties were provided with these schedules for consideration in negotiations in new or renewed collective bargaining agreements.



In addition to revising the formula for future benefit accruals and making similar changes, under PPA a Rehabilitation Plan may eliminate or reduce “adjustable benefits”. Adjustable benefits include:

- » Post-retirement death benefits;
- » 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); and
- » Other similar benefits, rights, or features under the plan, such as an actuarial increase for active participants who retire after normal retirement age.

The level of benefits already earned that are payable at normal retirement age as a single life or qualified joint and survivor annuity cannot be reduced under these PPA rules unless the Plan enters critical and declining status. Any reductions pursuant to the Rehabilitation Plan as adopted apply only to participants and beneficiaries whose benefit commencement date is after June 1, 2011. The reductions pursuant to the changes to the Rehabilitation Plan as adopted August 20, 2019 apply only to participants and beneficiaries whose benefit commencement date is after June 1, 2019.

What's Next

We understand that legally required notices like this one can create concern about the Fund's future. Be assured that the Board of Trustees takes very seriously its obligation to preserve the financial viability of the Fund. With the assistance of the Fund's actuary, counsel and other professionals, and working with the contributing employers and the Union, the Trustees have developed a Rehabilitation Plan that addresses these issues. You should know that we expect that both contribution increases and benefit reductions will be necessary to improve the Fund's serious financial condition.

As a final note, since the Pension Plan is influenced by economic and financial variables beyond our control (such as market volatility and changes in employment and/or the number of contributing employers), unexpected developments can affect the Fund's status and any future corrective actions needed. Each year the Trustees will be reviewing the Fund's progress with its professional advisors, and which may lead to future changes in the recommended contribution and benefit schedules.

For more information about this notice or the Fund, contact the Fund Office at the address or phone number listed at the top of this letter.

Sincerely,
Board of Trustees
BAC Local #3 NY
Buffalo Pension Plan

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BRICKLAYERS & ALLIED CRAFTWORKERS
LOCAL NO 3 NEW YORK
NIAGARA FALLS-BUFFALO CHAPTER PENSION PLAN
REPORT OF SUMMARY PLAN INFORMATION
2019 Plan Year

In accordance with ERISA §104(d), the Trustees of the Bricklayers & Allied Craftworkers Local No 3 NY Niagara Falls-Buffalo Chapter Pension Plan (the Plan) are providing the following Report of Summary Plan Information to unions that represent Plan participants and employers obligated to contribute to the Plan.

Except as otherwise specified, all information in this Report pertains to the 5/31/19 Plan Year.

1. **Current Contribution Schedule and Benefit Formula Information:** For hours worked prior to May 31, 1979, the benefit formula is \$2.10 for each 100 hours worked. For hours worked after May 31, 1979, the benefit formula is \$6.30 per 100 hours worked.
2. **Number of Contributing Employers:** For the plan year ending May 31, 2019, 45 employers were obligated to contribute to the Plan.
3. **Employers Contributing More than 5%.** During the 2019 plan year, the employers listed below contributed more than 5% of total contributions to the Plan:
 - o Raymond E Kelley, Inc.
 - o Morris Masonry Restoration LLC
 - o State University of NY at Buffalo
 - o FSR Contracting
4. **Participants for Whom No Contributions Were Made.**

The chart below sets out, for the 2019, 2018, and 2017 plan years, the number of participants with respect to whom no employer contributions were made by an employer as the participant's employer:

	2019 Plan Year	2018 Plan Year	2017 Plan Year
Participants	0	0	0



5. **Plan Funding Status.**

Check one of the following:

- The Plan was not in critical or endangered status during the plan year.
 The Plan was in endangered status during the plan year.
 The Plan was in critical status during the plan year.

If the Plan was in either critical or endangered status, provide the information requested below:

(a) **Steps Taken to Improve Funding Status.**

The Plan adopted a rehabilitation plan in October 2010 and effective June 1, 2011.

(b) **How to Obtain Information.**

Information on the rehabilitation plan can be obtained from the: Fund Administrator, 1175 William Street, Buffalo, New York 14206

6. **Number of Employers That Withdrew in Preceding Plan Year:** During the 2019 plan year, no employers withdrew from the Plan. As reported on the 2019 Form 5500, the actual or estimated amount of employer withdrawal liability assessed was \$0.

7. **Transaction Information.**

The Plan did not merge with another plan and did not receive a transfer of the assets and liabilities of any other plan during the 2019 plan year.

The Plan merged with another plan and/or received a transfer of the assets and liabilities of one or more plans during the 2019 plan year.

8. **Amortization Extension or Shortfall Funding Method Information.**

The Plan did not apply for or receive an amortization extension under ERISA §304(d) or Code §431(d) for the 2019 plan year.

The Plan applied for or received an amortization extension under ERISA §304(d) or Code §431(d) for the 2019 plan year.

The Plan did not use the shortfall funding method (as described in ERISA §305) for the 2019 plan year.

The Plan used the shortfall funding method (as described in ERISA §305) for the 2019 plan year.

9. **Right to Additional Information:** Any contributing employer or participating union under the Plan may request from the Plan Administrator, in writing, a copy of the documents listed below, but not more than one time during any one 12-month period. The administrator may charge a reasonable amount to cover the cost of providing the document requested.

- The Plan's 2018 Form 5500.
- The Plan's Summary Plan Description.
- Any Summaries of Material Modification to the Plan.