

STOVE, FURNACE ALLIED APPLIANCE, AND ENAMEL WORKERS UNION PENSION PLAN

NOTICE OF CRITICAL STATUS FOR STOVE, FURNACE, ALLIED APPLIANCE, AND ENAMEL WORKERS UNION PENSION PLAN

This is to inform you that on March 7, 2019 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Stove, Furnace, Allied Appliance, and Enamel Workers Union Pension Plan ("Pension Plan") is in Critical Status for the Plan Year beginning January 1, 2019. Federal law requires that you receive this notice. This Notice is being sent to all Participants; Beneficiaries and Alternative Payees of the Pension Plan; all Contributing Employers; Stove, Furnace, and Allied Appliance Union Locals 4 and 7; Stove, Furnace and Allied Appliance Workers International Union Enamel Workers Locals 60 and 185; the Pension Benefit Guaranty Corporation; and the United States Department of Labor.

CRITICAL STATUS

The Pension Plan is considered to be in Critical Status because it has funding problems. More specifically, the Plan Actuary determined that the Plan is in Critical Status because it is projected to have a funding deficiency within three Plan Years. Based on this information, the Plan Actuary has certified to the Board of Trustees and the Internal Revenue Service that the Pension Plan is in Critical Status for the for the Plan Year beginning January 1, 2019.

REHABILITATION PLAN AND 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 first year the Plan has been in critical status.

The law permits pension plans in Critical Status to reduce future benefit accruals to an amount not less than 1% of Employer contributions and reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan for future retirements. In addition, by law the Pension Plan will not be permitted to pay lump sum benefits (or any other payment) in excess of the monthly amount paid under a single life annuity while the Pension Plan is in Critical Status.

A Rehabilitation Plan will be developed in the future, after which time additional information will be provided.

EMPLOYER SURCHARGE

The law requires that all Contributing Employers pay to the Plan a surcharge to help correct the Pension Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount a Contributing Employer is otherwise required to contribute to the Pension Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year. A 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Pension

Plan is in Critical Status and the collective bargaining parties have not adopted a collective bargaining agreement consistent with the then current Rehabilitation Plan.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact your employer at the information listed below:

Ms. Jess Pacatte
Empire Comfort Systems, Inc.
P.O. Box 529
Belleville, IL 62222
Phone: (618) 233-7420

When it is approved by the Board of Trustees, you will have a right to receive a copy of the Rehabilitation Plan from the Plan.

Please keep this notice with your copy of the Summary Plan Description.

cc United States Department of Labor
Employee Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave., NW
Washington, D.C. 20210

Pension Benefit Guaranty Corporation
Multiemployer Program Division
1200 K Street, NW, Suite 930
Washington, D.C. 20005