Notice of Critical and Declining Status for the Colorado Cement Masons Pension Trust Fund

This is to inform you that on February 28, 2023 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning December 1, 2022. Federal law requires that you receive this notice.

Critical and Declining Status

The plan is considered to be in critical and declining status because it has funding problems. More specifically, the plan's Actuary reported to the plan sponsor its determination that the plan has an accumulated funding deficiency for the current Plan Year. The Plan is considered to be in critical and declining status because it meets the above criteria for critical status and because it is projected to become insolvent within the next 20 years.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The plan was in critical status for the 2009 through 2022 plan years, and is in critical and declining status for the 2022-2023 plan year. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. In April 2011 you were notified that the plan reduced or eliminated adjustable benefits. In September 2011 you were notified that adjustable benefits were reduced or eliminated further. On March 17, 2009, you were notified that as of April 2009 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. 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 (other than a repeal of a recent benefit increase, as described below) 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 March 17, 2009.

The plan sponsor of a plan in critical and declining status may also apply for approval to amend the plan to suspend current and future payment obligations to participants and beneficiaries. These benefit suspensions are *in addition to* reductions to adjustable benefits. Benefit suspensions can affect current retirees.

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:

- □ Post-retirement death benefits;
- □ 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).

Benefit Suspensions

Under certain conditions, the law also permits pension plans in critical and declining status to temporarily or permanently reduce benefits payable under the Plan. Any suspension of benefits must be reasonably estimated to avoid insolvency. Benefits may not be reduced below 110 percent of the monthly benefit guaranteed by the Pension Benefit Guaranty Corporation (PBGC) on the date of the suspension. Disabled participants and retirees over 80 on the date of suspension are exempted from benefit reductions, and retirees age 75 to 79 are partially exempted. In general, benefit suspensions must be equitably distributed among participants and beneficiaries, including current retirees.

Special Financial Assistance

Under a change in federal pension law in 2021, *and in lieu of benefit suspensions*, plans in critical and declining status may apply to the PBGC for additional funds with a goal of keeping the plan solvent through 2051. The plan sponsor is currently exploring this option with its professional service providers.

Employer Surcharge

The 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. 2009 was the initial critical year for this plan. A contributing employer's surcharge ceases once the employer adopts a schedule under the rehabilitation plan in its collective bargaining agreement.

Where to Get More Information

For more information about this Notice, you may contact Southwest Service Administrators, Inc. at 2300 Buena Vista SE, Ste. 127, Albuquerque, NM 87106, (800) 432-6636. You have a right to receive a copy of the rehabilitation plan from the plan.