

OPERATIVE PLASTERERS AND CEMENT MASONS LOCAL 109 PENSION PLAN
2023 NOTICE OF CRITICAL STATUS
August 2023

This is to inform you that on July 29, 2023 the actuary for the Operative Plasterers and Cement Masons Local 109 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury, and also the Plan Sponsor (“Board of Trustees”), that the Plan is in critical status for the Plan Year beginning May 1, 2023. 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 over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the 2026 Plan Year. An accumulated funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government’s minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

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 law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. Adjustable benefit reductions and eliminations were made under a prior rehabilitation plan when the Plan was in critical status in the past.

If the Trustees of the Plan determine that additional 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 August 28, 2023. Regardless of additional future benefit reductions, the Plan continues to not be permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity).

Adjustable Benefits

The Plan offers the following adjustable benefits that could be reduced or eliminated as part of a rehabilitation plan adopted by the Board of Trustees:

- Disability benefits (if not yet in pay status);
- Early retirement benefits or retirement-type subsidies;
- Death benefits;
- Other similar benefits, rights, or features under the Plan including benefit payment options, other than a Qualified Joint & Survivor Annuity (“QJSA”), and suspension of benefit rules.

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.

The Plan's contributing employers will be notified in a separate mailing if a surcharge is required.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Operative Plasterers and Cement Masons Local No. 109 Pension Plan, at BeneSys, Inc., 3660 Stutz Drive, Suite 101, Canfield, OH 44406, or by calling 1-800-435-2388. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6622619.