

COMPOSITION ROOFERS LOCAL NO. 42 PENSION PLAN

2025 NOTICE OF CRITICAL STATUS

April 2025

On March 27, 2025 the actuary for the Composition Roofers Local No. 42 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan is in "critical status" for the 2025 Plan Year. The 2025 Plan Year began on January 1, 2025 and will end on December 31, 2025. Federal law requires that you receive this Notice.

Critical Status

On June 28, 2023 the Pension Benefit Guaranty Corporation approved the Plan's application for Special Financial Assistance under the *American Rescue Plan Act of 2021*, and on July 31, 2023 the Plan received \$33,624,525.40. As of December 31, 2024, the Plan has \$32,951,928 in Special Financial Assistance remaining.

As a result of the Special Financial Assistance, the Plan is not projected to become insolvent. However, the Plan will be deemed to be in critical status through the 2051 Plan Year.

Benefit Adjustments under the Existing Rehabilitation Plan

In an effort to improve the Plan's funding situation, the Board of Trustees adopted a rehabilitation plan. Since the Plan is not expected to emerge from critical status, the updated rehabilitation plan includes the use of the "exhaustion of all reasonable measures" as allowed under the *Pension Protection Act of 2006* (PPA). This means that on an annual basis, the Board of Trustees will review updated projections based on reasonable actuarial assumptions to confirm that the rehabilitation plan is continuing to forestall insolvency and to determine if the Plan can expect to emerge from critical status at a later date. Scheduled progress will be determined based on the Plan continuing to forestall its insolvency.

The Plan Sponsor has taken the following legally permitted actions to prevent insolvency:

The Board of Trustees adopted a rehabilitation plan that includes changes in the Plan's Early Retirement, Disability Retirement, and Death Benefits, as well as scheduled increases in the hourly contribution rate. In addition, as of April 30, 2010, 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).

If the Board of Trustees determines that further benefit reductions under the rehabilitation plan are necessary, you will receive a separate notice in the future 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.

You can request a copy of the Plan's rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Composition Roofers Local No. 42 Pension Plan, at 525 Vine Street, Suite 2325, Cincinnati, OH 45202, or by calling 800-832-7113. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127285.