

NOTICE OF CRITICAL STATUS FOR
LABORERS PENSION FUND OF LOCAL UNION NO. 186

EIN: 14-6048883
Plan Number: 001

This is to inform you that on March 31, 2025 the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plan is in critical status for the plan year beginning January 1, 2025. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because, in 2022, the Plan received funding from the Pension Benefit Guaranty Corporation ("PBGC") through the Special Financial Assistance ("SFA") program established under the American Rescue Plan Act of 2021, in an amount estimated to allow the Plan to remain solvent and pay full pension benefits to participants through the year 2051. Under federal law, a plan that receives SFA is deemed to be in critical status until the plan year ending in 2051, regardless of its actual funding status.

Rehabilitation Plan

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 seventeenth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On April 28, 2009, you were notified that the Plan reduced or eliminated adjustable benefits. On April 28, 2009, you were notified that as of April 28, 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 or suspensions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

Adjustable Benefits

The Plan offers the following "adjustable benefits" which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation until such time as their collective bargaining agreements are updated to reflect the contribution increases required by the Rehabilitation Plan. 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. Employers that contribute to the Plan based on the amounts required under the Rehabilitation Plan are not required to pay a surcharge.

Where to Get More Information

For more information about this Notice, you may contact Zenith American Solutions at (844) 836-9849, P.O. Box 5817, Wallingford, CT 06492. You have a right to receive a copy of the rehabilitation plan from the Plan.