



OPERATIVE PLASTERERS AND CEMENT MASONS NEW ORLEANS AREA PENSION PLAN



Administered by Southern Benefit Administrators, Incorporated

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Notice of Critical and Declining Status for the 2025 Plan Year Operative Plasterers and Cement Masons New Orleans Area Pension Plan

EIN: 72-6063351

Plan No.: 001

November 25, 2025

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

Under the Pension Protection Act of 2006 (PPA), the Pension Fund's actuary is required to make a determination of the Fund's financial status every Plan Year and certify that status to the Internal Revenue Service (IRS) and the Trustees. If the Fund's status is "endangered" (Yellow Zone), "seriously endangered" (Orange Zone, a type of Yellow Zone) or "critical" (Red Zone), the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the Fund.

Critical Zone Status

For the Plan Year beginning August 1, 2025, the Plan is in critical, but not critical and declining, status. Under Internal Revenue Code (IRC) Section 432(b)(7), the Plan is "deemed to be in critical status" as a result of being approved for Special Financial Assistance and receiving \$1,693,141.58 in SFA on April 14, 2025, based on the final rule by the Pension Benefit Guaranty Corporation (PBGC).

Under ARPA, regardless of the Plan's actual funding levels, the Plan is deemed to be in critical status through July 31, 2051.

The Plan was categorized by the Fund's actuary as continuing to be in critical status (Red Zone) for the 2025 Plan Year, and a certification of this fact was provided to the IRS on October 29, 2025.

Rehabilitation Plan

A "Rehabilitation Plan," designed to restore the financial health of the Plan, was adopted by the Board of Trustees effective December 25, 2014 and subsequently adopted by the bargaining parties. In accordance with the IRC, on January 23, 2015, a Notice of Benefit Adjustments Because of Critical Status was sent to you explaining the changes to the Plan as mandated under the Rehabilitation Plan. These changes generally apply to participants whose benefit commencement date is on or after March 1, 2015. The changes include elimination of early retirement, the 36-month guarantee on the life annuity form of payment, the pop-up feature on the 50% joint and survivor payment form, and the pre-retirement lump sum death benefit. In addition, effective August 1, 2015, future benefit credits used to determine the future monthly benefit accrual were reduced.

As previously noted, the withdrawal in 2015 of what was then the Fund's largest contributing employer resulted in a substantial decline in expected future contributions. The latest update to the Rehabilitation Plan was signed in June 2024 and is effective August 1, 2023. This update indicates that emergence is not expected and insolvency is projected during the 2035-2036 Plan Year. At that time, the Trustees decided to continue the Rehabilitation Plan's previously established schedules of contribution rate increases and revised benefit structures. With the receipt of SFA from the PBGC, updates to the Rehabilitation Plan, revising the annual standards to solvency through at least 2051, are expected.

Adjustable Benefits

The Plan continues to offer the following adjustable benefit that may be reduced or eliminated as part of the Rehabilitation Plan:

- Disability benefits (if not yet in pay status)

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation until the effective date of a collective bargaining agreement (or other such agreement) that includes terms consistent with a Schedule set forth in 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.

Where to Get More Information

You will receive notices like this each year, letting you know of the Plan's progress in stabilizing its financial status. Since the funding of the Plan is influenced by economic and financial variables beyond the control of the Trustees (such as investment market volatility and changes in employment levels and/or the number of contributing employers), unexpected developments can affect the Plan's status and cause modification of the Rehabilitation Plan and the required corrective actions needed.

If you have questions or for more information, on this Notice, you may contact the Plan's Administrator at 800-831-4914, or by writing to the following address:

Board of Trustees
c/o Southern Benefit Administrators, Inc.
P.O. Box 1449
Goodlettsville, TN 37070-1449

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor (DOL)
Pension Benefit Guaranty Corporation (PBGC)