



Operative Plasterers & Cement Masons Local No. 109 Pension Plan

OPERATIVE PLASTERERS AND CEMENT MASONS

LOCAL NO. 109 PENSION PLAN 2025 NOTICE OF CRITICAL STATUS August 2025

This is to inform you that on July 28, 2025 the actuary for the Operative Plasterers and Cement Masons Local No. 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 2025 Plan Year. The 2025 Plan Year began on May 1, 2025 and will end on April 30, 2025. Federal law requires that you receive this Notice. Federal law requires that you receive this Notice.

Critical Status

The Plan is in critical status because the Plan's actuary has determined that the Plan has funding or liquidity problems, or both. The Plan was certified as being in critical status for the 2023 Plan Year because the Plan's actuary determined that the Plan was 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.

The Plan continues to be in critical status for the 2025 Plan Year because the Plan's actuary has determined that the Plan has not passed the "Emergence Test" that would enable it to come out of critical status. In order to pass this test, the Plan's actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

The Board of Trustees adopted a rehabilitation plan that has been ratified by the bargaining parties as required by the *Pension Protection Act of 2006* (PPA). The rehabilitation plan has been updated to reflect Plan experience. The Plan's actuary has certified that the Plan is making scheduled progress in meeting the requirements of its rehabilitation plan.

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 previously in critical status.

The Board of Trustees adopted a rehabilitation plan that includes increases in the hourly contribution rate, as well as changes to the Plan's benefit accrual rate and early retirement benefits. It also decreases the benefit accrual rate from 0.80% of contributions to 0.60% of contributions for participating Locals that do not increase their contribution rate to at least \$7.35 per hour as part of their 2021 wage allocation. In addition, 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).

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5600 New King ST, Suite 330,
Troy, MI 48098

If the Board of Trustees determines that any further benefit reductions 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 your basic benefit payable at your normal retirement age.**

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.

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 Solxsys Administrators, 5600 New King Drive, Suite 330, Troy, MI 48098, or by calling 248-663-2449. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 34-6622619.