

PA Local 47 Bricklayers and Allied Craftsmen Pension Plan

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LAWRENCE C. MUSGROVE ASSOCIATES, INC.
Contract Administrator

Notice of Critical Status for the 2025 Plan Year

To: All Participants, Union, Contributing Employers, Pension Benefit Guaranty Corporation (PBGC) and United States Department of Labor (DOL)

The Pension Protection Act of 2006 (“PPA”) amended ERISA and the Internal Revenue Code to, among other things, impose additional funding rules for multiemployer pension plans, which are based on the actuarial status of a pension plan. Under the PPA, a pension plan’s actuary annually must certify to the Secretary of the Treasury and the plan’s board of trustees whether or not the plan is in endangered or critical status for a particular plan year.

This is to inform you that the Plan’s actuary certified to the U.S. Department of the Treasury, and also to the Plan’s Board of Trustees, that the Plan is in critical status for the plan year beginning May 1, 2025. Federal law requires that you receive this notice.

Financial Assistance under the American Rescue Plan Act of 2021

On May 1, 2025, the Plan received special financial assistance under the American Rescue Plan Act from the Pension Benefit Guaranty Corporation.

Critical Status

Because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act during 2025, the Plan is certified to be in critical status for 2025 and will be until the plan year ending in 2051.

Rehabilitation Plan and Benefit Adjustments

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The plan has been in critical status since 2013, was in critical and declining status from 2017 through 2024, and is currently in critical status. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. On August 16, 2013, you were notified that the plan may reduce or eliminate adjustable benefits and that 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. On March 10, 2014, the Trustees adopted a Rehabilitation Plan. On March 11, 2024, the Trustees updated the Rehabilitation Plan. If the trustees of the plan determine that 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 (other than a repeal of a recent benefit increase, as described below) 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 16, 2013.

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:

- Ten-Year Guarantee Option
- Husband-Wife 75% Pension
- Husband-Wife 100% Pension
- 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 rehabilitation plan has been adopted by the Trustees and approved by the parties to the collective bargaining agreement. 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 surcharge will cease upon the adoption of the rehabilitation plan by the Trustees and its approval by the parties to the collective bargaining agreement.

Where to Get More Information

For more information about this Notice, you may contact the Plan's Contract Administrator, Lawrence C. Musgrove Associates, Inc., P.O. Box 1769, Salem, VA 24153, PHONE: 540-345-7735 or TOLL FREE: 1-800-552-6972. You have a right to receive a copy of the rehabilitation plan from the Plan when it has been adopted by the Plan.