

# **Notice of Critical and Declining Status**

*For*

## *Toledo Roofers Local No. 134 Pension Plan*

This is to inform you that on March 29, 2019 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical and declining status for the plan year beginning January 1, 2019. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

### **Critical and Declining Status**

The Plan is considered to be in critical and declining status because it is projected to satisfy the following:

Funded percentage less than 65% and projected accumulated funding deficiency within the current or next 4 plan years. The Plan's actuary determined that the Plan's funded percentage is 51.7% on January 1, 2019. The "funded percentage" is the fraction of earned benefits that could be funded with existing Fund assets. The Plan's actuary also projects that, if no further action is taken, the Plan will have an accumulated funding deficiency for the plan year ending December 31, 2018. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements.

Projected insolvency within the current or next 15 plan years. The Plan's actuary projects that, if no further action is taken, the Plan will have a projected insolvency for the plan year ending December 31, 2027.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

### **Rehabilitation Plan and Possibility of Reduction in Benefits**

Federal law requires pension plans in critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan.

As of August 7, 2017, certain benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these reductions on December 29, 2017. As of July 1, 2018, additional benefits were reduced pursuant to the rehabilitation plan, and you were mailed a notice of these additional changes on June 1, 2018. Additionally, effective April 1, 2019, benefits were reduced as outlined in the Plan's June 25, 2018 application to the Department of Treasury for suspension of benefits under the Multiemployer Pension Relief Act of 2014. The Department of Treasury issued final authorization for the implementation of the suspension of benefits on March 21, 2019. Disabled participants and their beneficiaries and retired participants and beneficiaries age 80 by the end of April 2019 were fully protected from this reduction. Retired participants and beneficiaries age 75 by the end of April 2019 were partly protected. All benefit protections were required by law. Refer to the notice that was mailed to you on June 29, 2018 for more information on how this benefit reduction has affected your benefit. Also, the Plan is not permitted to pay any lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical and declining status.

### **Future Experience and Possible Adjustments**

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 6.25% during this plan year or future plan years until the plan year ending in 2026 (7.50% in the 2027 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

### **Where to Get More Information**

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact the Northwestern Ohio Administrators, Inc. at 7142 Nightingale, Ste. 1, Holland, OH 43528-7822 or by telephone at (419) 248-2401.