

# HOLLOW METAL TRUST FUND HOLLOW METAL PENSION FUND

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## **Notice of Critical and Declining Status For Hollow Metal Pension Fund April 2021**

This is to inform you that on March 31, 2021 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Hollow Metal Pension Plan (the "Plan") is in critical and declining status for the plan year beginning January 1, 2021. Federal law requires that you receive this notice.

### **Critical and Declining Status**

The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan was in critical status for the last two plan years and the Plan is projected to have an accumulated funding deficiency over the next four plan years. Also, under the Multiemployer Pension Reform Act of 2014, the Plan is considered to be in critical and declining status for the 2021 plan year because the Plan is not projected to avoid insolvency for the next 20 years.

### **Rehabilitation Plan and 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. This is the third year that 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. In November of 2019, you were notified that the Trustees of the Plan reduced or eliminated adjustable benefits generally effective for any pension application received after November 30, 2019. If the Trustees of the Plan determine that further 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 November 30, 2019. In addition, effective as of March 31, 2019, 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.

### **Adjustable Benefits**

The Plan offered the following adjustable benefits which have already been reduced or eliminated as part of the rehabilitation plan adopted by the Trustees:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);

- X Early retirement benefit or retirement-type subsidy;
- X Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the plan

### **Employer Surcharge**

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation. 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. Contributing employers can avoid the surcharge by adopting a collective bargaining agreement with contribution rates that comply with the terms of the rehabilitation plan.

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

For more information about this Notice, you may contact the Hollow Metal Pension Fund at (212) 366-7881, 395 Hudson Street, 9<sup>th</sup> Floor, New York, NY 10014. You have a right to receive a copy of the rehabilitation plan from the plan. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 11-2758544.