Notice of Critical and Declining Status For
Millmen's Retirement Trust of Washington

TO: All Participants, Pensioners, Beneficiaries, Alternate Payees, Labor Unions, Employers Who Contribute to the Millmen's Retirement Trust of Washington, and the PBGC

DATE: April 21, 2025

This is to inform you that on March 28, 2025 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2025. 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 meets the criteria for critical status and is projected to become insolvent (run out of money to pay benefits) within 20 years. As of January 1, 2025 the Plan is projected to become insolvent during the plan year ending December 31, 2039. This is when the Plan is currently projected to no longer have sufficient assets to pay retiree benefits and would apply for financial assistance from the PBGC, at which point participants' benefits would be reduced to PBGC guarantee levels, as required by law. [1]

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.

In June of 2015, you were notified of the Plan's initial critical status, and the possibility of benefit reductions. In January of 2016, you were notified that the trustees had adopted a rehabilitation plan that generally removes all adjustable benefits effective March 1, 2016. The reduction of adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions generally only apply to participants and beneficiaries whose benefit commencement date is on or after March 1, 2016. Also, 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 rehabilitation plan requires reductions in certain adjustable benefits. These reductions include changes in early retirement benefits, disability benefits, and certain pre- and post-retirement death benefits. All participants were previously sent a separate notice describing the reduction in adjustable benefits in more detail.

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. Accordingly, employer contributions for covered hours on or after March 1, 2016 will be subject to the 10% surcharge. The surcharges will apply until the bargaining parties comply with the terms of the rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact William C. Earhart Company, Inc. at 877-405-8339, PO Box 4148 (12029 NE Glenn Widing Dr), Portland, Oregon 97208. You have a right to receive a copy of the rehabilitation plan from the Plan.

[1] Although the plan is currently projected to become insolvent in 2039, the American Rescue Plan Act (ARPA), signed into law in March 2021, included help for critical and declining plans like this one. The Special Financial Assistance available through the ARPA is intended to allow such plans to pay benefits, at their current levels, through 2051. The exact amount of Special Financial Assistance that the plan will receive is not known at this time; however, it is expected that the plan will be able to apply for the assistance in 2025. Even with the Special Financial Assistance, the plan is still likely to become insolvent eventually. When that happens, the plan would apply for financial assistance from the PBGC; and benefit amounts may be reduced at that time.