

IRONWORKERS DISTRICT COUNCIL OF NEW ENGLAND WELFARE, PENSION AND VACATION FUNDS

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Fund Administrator



ANNUAL NOTICE OF PLAN FUNDED STATUS

FOR

IRON WORKERS DISTRICT COUNCIL OF NEW ENGLAND PENSION FUND

April 2016

To: All Participants, Beneficiaries, Participating Union and Contributing Employers

As you may know, the Pension Protection Act of 2006 (PPA) has added requirements for measuring the financial health of multiemployer plans such as ours.

Starting with the 2008 plan year, the PPA requires that a Pension Fund's actuary determine the Fund's status under these new rules annually and certify that status to the IRS and the Trustees (who are the plan sponsor). If the actuary determines that the Fund is in "endangered" status ("yellow zone") or "critical" status ("red zone") for the year, the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the plan.

Yellow Zone Status

This letter will serve as the Notice that, on March 30, 2016, our Pension Fund's actuary certified that the Fund is in "endangered" or yellow zone status for the 2016 plan year. This determination was made because as of January 1, 2016 the Plan's funded percentage of 72.1%, based on the PPA's funding measures, is less than 80% and the Plan is not and will not be in "critical" status for the Plan year. "Endangered" is a label that the law requires us to use, but in fact, the Fund is meeting its funding goals and is expected to continue doing so into the future.

The PPA also requires that any pension fund in the yellow zone adopt a "Funding Improvement Plan" (FIP). The FIP is an action plan designed to increase a Plan's funding percentage significantly and to avoid any accumulated funding deficiency. On October 21, 2009, the Trustees adopted an FIP. You have a right to receive a copy of the FIP from the Plan.

Funding Improvement Plan

Based on the current plan design and contribution levels and the Plan meeting its actuarial assumptions including demographic characteristics and investment returns, the Plan's actuaries have projected that the Plan will meet the required benchmarks within the timeframe specified in the FIP.

At this time, the Board does not expect that any changes will be needed to meet the PPA's requirement for an FIP. Please note that the PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our Plan is no longer "endangered" or in the yellow zone. While our goal is to remain on track with the Plan's funding schedule noted above, there are several variables beyond our control which our advisors will monitor yearly, including market volatility and employment.

We understand that legally required notices like this one can create anxiety and concern about the Pension Fund's future. The Board of Trustees remains confident that the Fund will continue to provide our participants and their families with secure retirement benefits.

In the event you have questions or would like additional information, you may contact the Board of Trustees or the Plan Administrator at:

Veronica Dyer, Fund Administrator
161 Granite Avenue
Dorchester, Massachusetts 02124
Telephone: (617) 265-3757

Sincerely,

The Board of Trustees

cc: US Department of Labor
US Pension Benefit Guaranty Corporation

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