



## SOUTHERN CALIFORNIA FLOOR COVERING TRUST FUNDS

Health and Welfare - Pension - Apprentice - Vacation and Holiday

4399 SANTA ANITA AVE., SUITE 150, EL MONTE, CA 91731

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### Notice of Endangered Status

For

### Southern California Floor Covering Pension Plan

This is to inform you that on March 27, 2017, the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the Plan is in Endangered Status for the Plan year beginning January 1, 2017. Federal law requires that you receive this notice.

#### Endangered Status

A plan is considered to be in Endangered Status when its assets are less than 80% of its liabilities and/or the plan is projected to have a funding deficiency within the six succeeding plan years as described in Section 432 of the Internal Revenue Code. As of January 1, 2017, the actuary for the Southern California Floor Covering Pension Plan has certified that the plan is projected to have a funding deficiency within the six succeeding plan years. Therefore, the Pension Plan is in Endangered Status (Yellow Zone).

#### Funding Improvement Plan

Federal law requires pension plans in Endangered Status to adopt a Funding Improvement Plan aimed at restoring the financial health of the plan. The Funding Improvement Plan must include actions that are reasonably likely to achieve a 1/3 reduction in the underfunded liability over a period of 10 years. The law permits pension plans to reduce benefits earned in future years as part of a Funding Improvement Plan. If the Trustees determine that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. The Funding Improvement Period commenced on January 1, 2014, and the Plan will monitor scheduled progress in accordance with the law.

#### Where to Get More Information

For more information about this Notice you may contact the Trust Fund Office at 4399 Santa Anita Avenue, Suite 150, El Monte, Ca 91731-1609, Telephone (626) 279-3022. You have a right to receive a copy of the Funding Improvement Plan from the Plan.