

**NOTICE OF CRITICAL STATUS FOR THE 2019 PLAN YEAR**  
**for the**  
**Pension Plan of International Union of**  
**Bricklayers and Allied Craftworkers Local #15 Pennsylvania**

This Notice is to inform you that on September 27, 2019 the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, the Board of Trustees of the Pension Plan of International Union of Bricklayers and Allied Craftworkers Local #15 Pennsylvania ("Plan"), that the Plan continues to be in critical status for the plan year beginning July 1, 2019 and ending June 30, 2020. Federal law requires that you receive this Notice.

**Critical Status**

A plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary has certified that the Plan is in critical status in the 2019 plan year because it was in critical status in the 2018 plan year, the Plan is less than 65% funded, and it is expected to have a funding deficiency within five years.

**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. This is the sixth year the Plan has been certified by the Plan's actuary to be in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Board of Trustees adopted a Rehabilitation Plan on October 7, 2014, which was updated in April 2015, June 2016, June 2017, and April 2018. This Rehabilitation Plan required pension contribution rate increases but did not require any reduction in future benefit accruals or adjustable benefits. However, in June 2019 you received notice that the Rehabilitation Plan was updated and the Pension Plan was amended effective July 1, 2019 to change the normal retirement date for benefit accruals earned on and after July 1, 2019 and eliminate one of the adjustable benefits, as described below. If the Board of Trustees determines that future 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 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 October 24, 2014. You should also know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 24, 2014, the Plan is not permitted to pay lump sum distributions 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 status. Each year, the Trustees will review the progress of the Plan's funding status to determine whether the Plan remains in critical status. If necessary, the Trustees will modify the Rehabilitation Plan to reflect any changed circumstances.

**Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any Rehabilitation Plan the Trustees may adopt for the Plan:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidies;
- Benefit payment options other than a qualified joint and survivor annuity (QJSA); and/or
- Pre-retirement death benefit for single participants.\*

\* The Rehabilitation Plan was reviewed and updated by the Board of Trustees on June 24, 2019 to include the elimination of the pre-retirement death benefit for single participants for deaths on and after July 1, 2019 .

### **Employer Surcharge**

The law requires that all contributing employers pay a surcharge to the Plan 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. The surcharge currently does not apply to any employer as its collective bargaining agreement is in compliance with the Rehabilitation Plan.

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

For more information about this Notice, you may contact the Fund's Contract Administrator, Lawrence C. Musgrove Associates, Inc., P.O. Box 13487, Roanoke, VA 24034, Telephone: 1-800-552-6972. For identification purposes, the official plan number for this Plan is 001 and the employer identification number or "EIN" is 23-6289032. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

*Dated: October 25, 2019*