

Benefit Plans

THE STEAMFITTERS' LOCAL NO. 420 OF PHILADELPHIA

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April 22, 2019

U.S Department of Labor
Employees Benefits Security Administration
Public Disclosure Room N-1513
200 Constitution Ave, NW
Washington, DC 20210

MAILED VIA CERTIFIED: 7015 3430 0000 4976 7697

Re: Notice of Critical Status for Steamfitters Local Union 420 Pension Plan

To Whom it May Concern,

Enclosed, please find most recent Notice of Critical Status for the Steamfitters Local Union No. 420 Pension Plan (EIN # 23-2004424).

Very truly yours,



Robert Winther
Steamfitters Local Union No. 420
Benefit Plans Administrator

**2019 Notice of Critical Status for
Steamfitters Local Union No. 420 Pension Plan**

This is to inform you that on March 29, 2019 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning January 1, 2019. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan is projected to have an accumulated funding deficiency for the 2019 plan year.

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. If the trustees of the plan determine that 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 April 30, 2012. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of March 31, 2012, 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.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. As you are aware, the plan was certified in critical status for 2012. As a result, the Trustees adopted a Rehabilitation Plan in 2012 that was also subsequently adopted by Local 420, the MCA, and the SCA. This Rehabilitation Plan, which is updated annually and will again be updated in 2019, does not require any decrease in future benefit accruals or adjustable benefits in order to achieve the applicable funding benchmarks. Still, the law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. As of March 31, 2012 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. 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 April 30, 2012.