

Notice of Critical Status
For
Bricklayers and Allied Craftworkers Local No. 5 of New Jersey Pension Fund
EIN: 80-0083075 PN: 001

This is to inform you that on March 30, 2020, 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, 2020. 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 the funded percentage of the plan is 65% or less, and over the next four plan years, the plan is projected to have an accumulated funding deficiency for the Plan Year ending December 31, 2020.

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 ninth year the Plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On March 30 2012, you were notified that the Plan was 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 was in critical status. On August 1, 2012, you also received a notice describing further changes to adjustable benefits.

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 in 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 May 29, 2012.

Adjustable Benefits

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

- Subsidized Early Retirement
- Subsidized 120-month guaranteed benefit

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 in which the plan is in critical status until an employer agrees to a collective bargaining agreement that implements one of the schedule of the Rehabilitation Plan.

Where to Get More Information

For more information about this notice or Rehabilitation Plan, you may contact:

Mr. Ken Crandall
BAC Local No. 4 Pension Fund
14 Plog Road, Suite 2
Fairfield, NJ 07004
Phone: (800) 324-5881

You have a right to receive a copy of the Rehabilitation Plan from the Plan.

DATE SENT: _____