

March 27, 2020

NOTICE OF CRITICAL STATUS

FOR

IRON WORKERS MID-SOUTH PENSION PLAN

As required under the Internal Revenue Code, on February 28, 2020, the Plan's actuary determined and certified that the Iron Workers Mid-South Pension Plan ("Plan") is in "critical" status for the 2019 Plan Year, since the Plan is projected to continue to have a funding deficiency. This is the twelfth Plan Year that the Plan has been in critical status and the twelfth year you are receiving a notice of the Plan's status.

Rehabilitation Plan and Plan Changes

As previously explained, the "Rehabilitation Plan," which is designed to restore the financial health of the Plan, was adopted by the Board of Trustees on March 10, 2009 and periodically updated and amended, with the most recent Ninth Amendment and Update dated November 26, 2019. In accordance with the Internal Revenue Code, Notices of Adjustment to Benefits Due to Critical Status were sent to you with each amendment explaining the changes to the Plan as mandated under the Rehabilitation Plan, with the most recent notice sent November 27, 2019. These changes generally apply to Participants whose benefit commencement date is on or after January 1, 2010. Generally, the changes include modifications to:

- The benefit level for future accruals
- The normal retirement age for benefits accruing on or after January 1, 2010
- Early retirement eligibility for unreduced benefits
- Early retirement eligibility for reduced benefits
- Early retirement reduction factors
- Eligibility for total and permanent disability benefits
- Pre-retirement death benefits
- Factors used to determine optional forms of benefit payment
- The payment of benefits at age 70 ½ regardless if continuing to work, unless employed by the International.

The following benefits were also eliminated under the Rehabilitation Plan:

- Lump sum payments over \$5,000, effective March 27, 2009
- Partial disability benefits, effective January 1, 2010
- The Social Security level income option, effective March 27, 2009.

As of March 27, 2009, the Plan, while in critical status, is not permitted to pay lump sum benefits or any other payment in excess of the monthly amount paid under a single life annuity.

Adjustable Benefits

In addition to these benefit changes, the law permits pension plans in critical status to make similar changes to future benefits, and to reduce, or even eliminate, benefits called “adjustable benefits.” The Plan offers the following adjustable benefits that may be reduced or eliminated as part of an amendment to the Rehabilitation Plan:

- Benefits, rights and features under the Pension Plan, including post-retirement death benefits (other than the 50% qualified joint and survivorship annuity), 36-month guarantees, disability benefits not yet in pay status, and similar benefits;
- Any early retirement benefit or retirement-type subsidy and any benefit payments option, other than a 50% qualified joint and survivorship annuity; and
- Benefit increases that were adopted or took effect less than 60 months before the Plan first entered the red zone (December 1, 2008).

However, no reduction of adjustable benefits will reduce the level of your basic benefit payable at normal retirement. In the event additional benefit adjustments are necessary and the Rehabilitation Plan is amended to so specify, you will be notified in a separate notice of any additional changes or reductions, and provided an explanation of the effect of those reductions. Further, these additional reductions may only apply to Participants and beneficiaries whose benefit commencement date is no earlier than March 27, 2009.

Where to Get More Information

Since the law requires that the Plan’s funding status be reviewed and certified annually, notices like this one will be sent each year that the Plan is in critical status. The Trustees will timely notify you of any other changes that may be made to the Plan to ensure the Plan’s financial stability. If you have questions about this notice or any previous notices sent about these changes, please contact:

Zenith American Solutions
9555 W Sam Houston Parkway South, Ste 400
Houston, TX 77099
Phone Number (713) 219-1211

We understand that legally required notices like this one can create concern about the Plan’s future. The Board of Trustees is working closely with the Unions and the Contributing Employers toward taking appropriate actions to improve the financial health of the Plan so that your retirement benefits are secure into the future.

Sincerely,

Board of Trustees

**cc: Department of Labor
Pension Benefit Guaranty Corporation**