Notice of Critical and Declining Status For

Local 32E Supplemental Pension and Retirement Fund

This is to inform you that on April 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 and Declining status for the Plan year beginning July 1, 2019. Federal law requires that you receive this notice.

Critical and Declining Status

The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has an accumulated funding deficiency, and is projected to become insolvent (that is, to lack sufficient assets to pay benefits) within the next 19 years, and the inactive to active participant ratio is in excess of 2 to 1. Currently, the Plan is expected to become insolvent and require financial assistance from the PBGC by the year 2030.

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 determines 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 will not reduce the level of a participant's basicbenefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after June 1, 2020. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of June 1, 2020, 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 and declining status.

In addition, the trustees of a critical and declining plan may suspend benefits in order to avoid becoming insolvent. A suspension of benefits means a temporary or permanent reduction of current or future payment obligations of the plan to its participants, including those receiving monthly benefits from the plan at the time benefits are suspended, subject to certain restrictions. The reduction must eliminate the insolvency (no more, no less), must be within allowable limits, and must be equitably allocated. All reasonable measures must also have already been taken. Any such recommended benefit suspensions must first be approved by the Secretary of the Treasury and are also subject to a participant vote. If the Trustee of the Plan determines that the benefit suspensions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those suspensions.

Where to Get More Information

For more information about this Notice, you may contact Kaufmann & Goble Associates at (408) 298-1170, or 160 W. Santa Clara Street, Suite 150, San Jose, CA 95113. You have a right to receive a copy of the rehabilitation plan from the Plan.