

Sheet Metal Workers' Pension Plan

OF SOUTHERN CALIFORNIA, ARIZONA & NEVADA

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NOTICE OF ENDANGERED STATUS FOR SHEET METAL WORKERS' PENSION PLAN OF SOUTHERN CALIFORNIA, ARIZONA AND NEVADA

April 26, 2019

TO: All Pension Plan Participants, Beneficiaries, and Alternate Payees under Approved Qualified Domestic Relation Orders (QDROs)

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, the Board of Trustees, that the Plan is in endangered status (the "yellow zone") for the plan year beginning January 1, 2019. The Plan actuary also certified that, based on current projections, the Plan will not reenter critical status (the "red zone") in one of the succeeding five plan years.

This is the fourth year the Plan is in endangered status. For the years 2012 through 2015 the Plan was certified to be in critical status (the "red zone"). Federal law requires that you receive this notice.

ENDANGERED STATUS

The Plan is considered to be in endangered status because it has funding problems. More specifically, the Plan's actuary has determined that the Plan is endangered because the Plan has a funded percentage of less than 80%: this means that the value of the Plan's assets is less than 80% of the projected value of the Plan's liabilities.

FUNDING IMPROVEMENT PLAN

Federal law requires pension plans in endangered status to adopt a funding improvement plan aimed at improving the financial health of the plan. The Board of Trustees of the Plan adopted a funding improvement plan on November 21, 2016, and an updated funding improvement plan on December 20, 2018.

WHERE TO GET MORE INFORMATION

Federal law mandates that the Plan's funding status be reviewed and certified annually. If the Plan continues to be in endangered status, notices like this one will be sent to you each year. In addition, the Board of Trustees is required to review and update the funding improvement plan each year after its initial adoption. You have a right to receive copies of the funding improvement plan and the updated funding improvement plan from the Plan by contacting the plan administrator, Sheet Metal Benefit Plans Administrative Corporation ("SMBPAC").

Continued - Other Side

For more information about this Notice, or to receive a copy of the funding improvement plan adopted in 2016, or the updated funding improvement plan adopted in 2018, you may contact Vernon Shaffer, SMBPAC Executive Director, by phone at (800) 947-4338, or in person or by mail at 111 North Sepulveda Boulevard, Suite 200 (formerly Suite 100), Manhattan Beach, CA 90266.

cc: Business Managers, SMART Locals 26, 88, 104 District 3, 105, 206, and 359
All Contributing Employers
All Employer Associations
Pension Benefit Guaranty Corporation
Office of the United States Secretary of Labor
Legal Counsel
Consultants