



IRONWORKERS LOCAL 340

HEALTH CARE FUND RETIREMENT INCOME PLAN
SUPPLEMENTARY RETIREMENT FUND

510 E. Columbia Avenue • Battle Creek, Michigan 49014

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Notice of Critical Status for the Ironworkers' Local 340 Retirement Income Plan

This is to inform you that on March 31, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning January 1, 2011. 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 has an accumulated funding deficiency for the current for the current plan year, not taking into account any extension of amortization periods.

Rehabilitation Plan

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 third 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 October 13, 2008, you were notified that the plan reduced or eliminated adjustable benefits. On September 30, 2008, you were notified that as of October 1, 2008 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 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 October 1, 2008. An amended rehabilitation plan was adopted October 20, 2010. Under the Amended Rehabilitation Plan there were no changes to current benefits provided under the plan. Instead, contributions under both the preferred and default schedules were increased. The plan is making the scheduled progress in meeting the requirements of its amended rehabilitation plan.

Adjustable Benefits

The following are adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the trustees may adopt:

- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e, occurring in past 5 years);
- Pre-retirement death benefits in excess of the qualified pre-retirement survivor annuity (QPSA)

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. Except the Employers who agree to participate in the rehabilitation plan, 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 thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this notice you may contact Chris Coppock at Ironworkers' Local 340, 510 East Columbia Avenue, Battle Creek, MI 49015, (877) 457-8414. You have a right to receive a copy of the rehabilitation plan from the plan.