

**Notice of Critical Status  
For  
Iron Workers Local No. 12 Pension Fund**

This is to inform you that on September 26, 2014 the plan actuary certified to the U.S. Department of the Treasury and to the plan sponsor that the plan is in critical status for the plan year beginning July 1, 2014. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

**Critical Status**

The plan is in critical status because the Fund has an accumulated funding deficiency at the end of the current plan year without regard to an extension of amortization periods granted in 2000. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

**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. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. As announced in June 2009, the rehabilitation plan effective August 1, 2009 changed the following adjustable benefits.

- Eliminate future disability benefits payable prior to retirement age and treat new disabled participants the same as inactive vested participants.
- Grandfather participants with early reduction factors if age 52 with 10 years of service on or before July 1, 2009. The new reduction factor is 4.5% from age 62 until age 58 and 9% from age 58 to age 55. Factor applies to past and future benefits.

If the Trustees of the plan determine that the additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

**Future Experience and Possible Adjustments**

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 8.00% (in the 2014-2015 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

**Additional Restriction Due to Critical Status**

The Fund is not permitted to pay any 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.

**Where to Get More Information**

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact Bonnie Allman at 890 Third Street, Albany, NY 12206 or by telephone at (518) 434-1206.