

# Alaska Trowel Trades Trusts

EBSA/PUBLIC DISCLOSURE

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Administered by  
Labor Trust Services, Inc.

## Notice of Critical Status

### Alaska Trowel Trades Pension Plan

October 28, 2016

This is to inform you that on September 28, 2016 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Alaska Trowel Trades Pension Plan (the "Plan") is in critical status for the plan year beginning July 1, 2016. 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 is projected to have an accumulated funding deficiency for the plan year beginning July 1, 2018 but that the Plan is not projected to be insolvent within 15 years.

#### Rehabilitation Plan

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. On September 27, 2016, in anticipation of the Plan's critical status determination, the trustees of the Plan determined that benefit reductions should be made and adopted a rehabilitation plan. You will receive a separate notice that identifies and explains the effect of the benefit reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, any such reductions may only apply to participants that are not in pay status as of the date of this notice and not to benefit payments made within 30 days after this notice is distributed. Finally, effective as of October 28, 2016, 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 in critical status.

#### Adjustable Benefits

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

- 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)

### **Employer Surcharge**

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation until the employer agrees to a Rehabilitation Plan schedule. 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. Contribution surcharges will begin to be effective for hours worked during December 2016.

### **Where to Get More Information**

For more information about this Notice, you may contact Labor Trust Services Inc. at (800) 325-6532 or P.O. Box 93870, Anchorage, Alaska 99509. You have a right to receive a copy of the rehabilitation plan from the Plan.

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