



IBEW

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 150 FRINGE BENEFIT FUNDS



IBEW Local No. 150 Welfare Fund
IBEW Local No. 150 Pension Fund
IBEW Local No. 150 Vacation Fund
IBEW Local No. 150 Supplemental Pension Fund

Managed for the Trustees by:
TIC INTERNATIONAL CORPORATION

Notice of Critical Status For IBEW Local 150 Pension Fund

This is to inform you that on September 27, 2019 the Plan Actuary certified to the U.S. Department of the Treasury and to the Board of Trustees that the I.B.E.W. Local No. 150 Pension Fund (the "Plan") is projected to be in critical status within 5 years of the plan year beginning July 1, 2019 and that the Board of Trustees have elected under Section 102 of the Multiemployer Pension Reform Act of 2014 ("MPRA") to be in critical status for the plan year beginning July 1, 2019. 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 considered to be in critical status because:

1. The Plan's actuary projects that, if no further action is taken, the Plan will enter critical status on July 1, 2020 because of a projected funding deficiency as of June 30, 2024; and
2. The Board of Trustees elected critical status under section 102 of MPRA for the plan year beginning July 1, 2019.

Note, "projected funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Plan would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

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. The Plan offers the following adjustable benefits which may be reduced or eliminated (for participants not yet in pay status) as part of any rehabilitation plan the Plan may adopt:

- Post retirement death benefits;
- 60-month payment guarantees;
- Disability benefits;
- Early retirement benefits or subsidies;
- Benefit payment options other than a QJSA;
- Benefits in effect less than 60 months;
- Other similar benefits rights or features under the Plan (i.e. preretirement death benefits in excess of qualified preretirement survivor annuity)

If the Trustees of the Plan determine that the above benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. But you should know that whether or not the Plan reduces adjustable benefits, effective as of October 25, 2019, the Plan is not permitted to pay any lump sum benefits in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity such as a Level Income Option) while it is in critical status.

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 Plan were to suffer asset returns below the expected 7.50% (in the 2019-20 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.

Employer Surcharge

Administrative Office:
TIC International Corporation
6525 Centurion Drive
Lansing, MI 48917-9275
Toll-free (877) 478-4542
(517) 321-7508 Fax

Web Site:
<http://www.ibew150benefits.org>

Members Service Office:
IBEW Local Union No. 150 Fringe Benefit Funds
31290 N. US Highway 45 Unit B
Libertyville, IL 60048
(847) 680-0032
(847) 680-0219 Fax



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The law requires that all contributing employers pay to the Plan a surcharge beginning on November 24, 2019 to help correct the Plan's financial situation. 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.

The surcharges continue until the bargaining parties formally approve a rehabilitation plan. *It is the intention of the Board of Trustees to have rehabilitation plan options submitted to the bargaining parties very soon, so that formal approval of a rehabilitation plan can be made before November 24, 2019. If the bargaining parties are able to adopt a rehabilitation plan prior to that date, surcharges would not be required.*

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 Board of Trustees. To receive a copy, you may contact the Plan Administrative Office at 6525 Centurion Drive, Lansing, MI 48917 or by telephone at (517) 321- 7502 or (877) 478-4542.

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