IRON WORKERS-LABORERS PENSION PLAN OF CUMBERLAND, MARYLAND

Notice of Critical and Declining Status for the 2016 Plan Year
April 11, 2016

To: Participants and Beneficiaries, Local Union No. 568 of the International Association of Bridge, Structural and Ornamental Iron Workers, Local Union No. 616 of the Laborers International Union of North America, Contributing Employers, Western Maryland Contractors Association, Inc., Pension Benefit Guaranty Corporation and Secretary of Labor.

This is to inform you that on March 30, 2016 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical and declining status for the plan year beginning January 1, 2016. Federal law requires that you receive this Notice.

Critical and Declining Status

Critical and declining status is a new category of pension plan funding status created by the Multiemployer Pension Reform Act of 2014 (MPRA). The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan is likely to be insolvent within the next 20 years. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law, the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Please refer to the annual funding notice for more information regarding PBGC benefit guarantees.

Rehabilitation Plan

Prior to the passage of MPRA, federal law already required that pension plans in critical status adopt a rehabilitation plan aimed at restoring the financial health of the Plan. The Trustees adopted a rehabilitation plan in 2008. This is the ninth year the Plan has been in critical status and the first year it has been in critical and declining status. The law permits pension plans in critical status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the Plan determine that 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 (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. You should know that whether or not the Plan reduces adjustable benefits in the future, effective as of April 26, 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. The MPRA law generally permits pension plans, in addition to reducing or eliminating adjustable benefits, to propose suspending accrued benefits for participants, including those in pay status (retirees). There are limits on how much accrued benefits may be suspended and before they can be suspended the law requires the proposed benefit suspension be submitted to and approved by the Secretary of the Treasury and be submitted to a vote of the participants, including retirees.

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:

- ✓ Post-retirement death benefits;
- ✓ 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 (that is, those that have occurred since April 26,2008);
- ✓ Service and Early Service Pension benefits (a participant may not be able to retire under these special provisions after 28 years or 25 years of service).

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge 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. 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, until the contributing employer adopts a schedule under the Rehabilitation Plan. The Rehabilitation Plan was adopted by all contributing employers on May 22, 2008. Therefore, no employer is paying a surcharge. The Actuary has certified that the Plan is on schedule for the 2016 Plan year.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator's office at 301-777-7770 or by U.S. Mail at 119 South Centre Street, Room 6, Cumberland, Maryland 21502. You have a right to receive a copy of the Rehabilitation Plan and the Resolution to Forestall Insolvency from the Plan.