

Alaska Ironworkers Trust Funds

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Administered by
Labor Trust Services, Inc.

October 20, 2020

TO: ALL PARTICIPANTS, BENEFICIARIES, LOCAL UNIONS, CONTRIBUTING EMPLOYERS, PENSION BENEFIT GUARANTY CORPORATION AND SECRETARY OF LABOR

Notice of Critical Status For Alaska Ironworkers Pension Plan

The purpose of this notice is to inform you that on September 28, 2020 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, the Board of Trustees, that the Alaska Ironworkers Pension Plan (the "Plan") is in critical status for the plan year beginning July 1, 2020. Federal law requires that you receive this notice.

A similar notice was provided at this time in 2019, with notification of the Plan's critical status in 2019. As you have been notified, benefit suspensions began on July 1, 2018. Because of the benefit suspensions the Plan is no longer projected to run out of money and is therefore not in critical and declining status.

Critical Status

The Plan is considered to be in critical status at July 1, 2020 because it has funding or liquidity problems, or both. More specifically, the actuary has determined the Plan has an accumulated funding deficiency. This means that contributions coming into the Plan are not expected to be sufficient to meet minimum contribution requirements as provided by the federal government. The Trustees of the Plan remain committed to providing the best and most secure benefits possible under the conditions. The Fund's investment portfolio remains well diversified and is positioned to maximize future investment returns.

Rehabilitation Plan and the Reduction of Benefits

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 10, 2010, you were notified that the Plan reduced or eliminated adjustable benefits. The reduction of adjustable benefits does not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions only applied to participants and beneficiaries whose benefit commencement date is on or after November 1, 2010.

Benefits already in pay status as of October 31, 2010 were not affected. Also, 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.

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On July 1, 2018, benefit suspensions took effect in accordance with the Plan's approved application to suspend benefits under the Multiemployer Pension Relief Act of 2014. The benefit suspension is a 26.5% reduction on all benefits accrued through July 1, 2016. This reduction could be less due to individual protections built into the law.

Adjustable Benefits

All adjustable benefits have been eliminated from the Plan.

Additional Rehabilitation Plan Contributions

The Bargaining Parties have incorporated the Rehabilitation Plan into the collective bargaining agreement and employers are making additional contributions as defined by the Rehabilitation Plan. The Rehabilitation Plan was amended in 2014 with a modification to the additional contribution requirement.

Where to Get More Information

For more information about this Notice, you may contact the Plan's Administrative Office:

Address: 375 W. 36th Avenue, Suite 200
P.O. Box 93870
Anchorage, AK 99509-3870

Telephone: 1-800-325-6532

You have a right to receive a copy of the Rehabilitation Plan from the Plan.