

Notice of Critical Status
for
Southern Illinois Bricklayers Pension Plan

This is to inform you that on September 23, 2020 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Trustees who sponsor this Plan, that the plan is in critical status for the Plan Year beginning July 1, 2020. Federal law requires that you receive this notice.

CRITICAL STATUS

The Pension Plan is considered to be in Critical Status because it has funding or liquidity problems, or both. More specifically, the Plan Actuary determined that the Plan is in Critical Status because it is projected to have a funding deficiency within two Plan Years. Based on this information, the Plan Actuary has certified to the Board of Trustees and the Internal Revenue Service that the Pension Plan is in Critical Status for the for the Plan Year beginning July 1, 2020.

REHABILITATION PLAN AND 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. This is the first year the Plan has been in critical status.

The law permits pension plans in Critical Status to reduce future benefit accruals to an amount not less than 1% of Employer contributions and reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan for future retirements. In addition, by law the Pension Plan will not be permitted to pay lump sum benefits (or any other payment) in excess of the monthly amount paid under a single life annuity while the Pension Plan is in Critical Status.

A Rehabilitation Plan will be developed in the future, after which time additional information will be provided. The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Post-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- J&S "pop-up" benefits

EMPLOYER SURCHARGE

The law requires that all Contributing Employers pay to the Plan a surcharge to help correct the Pension Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount a Contributing Employer is otherwise required to contribute to the Pension Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year. A 10% surcharge is applicable for each succeeding Plan Year thereafter in which the Pension Plan is in Critical Status and the collective bargaining parties have not adopted a collective bargaining agreement consistent with the then current Rehabilitation Plan.

WHERE TO GET MORE INFORMATION

For more information about this Notice, you may contact Zenith American Solutions, at 855-881-6488 or 502 Earth City Expressway, Suite 203, Earth City, MO 63045. You have a right to receive a copy of the funding improvement plan once it is established.

October 12, 2020