

PLASTERERS LOCAL UNION NO. 1 PENSION PLAN
2023 NOTICE OF CRITICAL STATUS
September 2023

On August 25, 2023, the actuary for the Plasterers Local Union No. 1 Pension Plan (“Plan”) certified to the U.S. Department of the Treasury and the Plan Sponsor (“Board of Trustees”) that the Plan is considered to be in critical status for the 2023 Plan Year. The 2023 Plan Year began on June 1, 2023 and will end on May 31, 2024. Federal law requires that you receive this Notice.

Critical Status

The Plan is in critical status because the Plan’s actuary has determined that the Plan has funding or liquidity problems, or both. The 2022 Plan Year was the first year that the Plan was certified as being in critical status. The Plan continues to be in critical status for the 2023 Plan Year because the Plan’s actuary has determined that the Plan has not passed the “Emergence Test” that would enable it to come out of critical status. In order to pass this test, the Plan’s actuary must certify that the Plan is not projected to have an accumulated funding deficiency for the current Plan Year or any of the nine succeeding Plan Years.

In September 2022, the Board of Trustees adopted a rehabilitation plan that has been ratified by the bargaining parties as required by the *Pension Protection Act of 2006* (PPA). The rehabilitation plan has been updated to reflect Plan experience. The Plan’s actuary has certified that the Plan is making scheduled progress in meeting the requirements of its rehabilitation plan.

Rehabilitation Plan

Federal law requires that pension plans in critical status adopt a rehabilitation plan aimed at improving the plan’s funding status. A rehabilitation plan may include: (1) the reduction or even the elimination of future benefit accruals, (2) the reduction or elimination of “adjustable benefits”, and/or (3) increases in the hourly contribution rate.

The Board of Trustees adopted a rehabilitation plan that was ratified by the bargaining parties in September 2022. This rehabilitation plan does not require any benefit reductions or increases in the hourly contribution rate.

If the Board of Trustees determines that any benefit reductions are necessary, you will receive a separate notice in the future explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant’s basic benefit payable at normal retirement.

However, federal pension law prohibits the Plan from paying any 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. These prohibitions will take effect September 27, 2022 regardless of whether or not the rehabilitation adopted by the Trustees includes the reduction of any adjustable benefits.

You can request a copy of the Plan's rehabilitation plan, any updates to such plan, and the actuarial and financial data that demonstrate any action taken by the Plan to forestall insolvency by contacting the Plan Administrator.

Adjustable Benefits

The Plan offers the following adjustable benefits that could be reduced or eliminated as part of any rehabilitation plan adopted by the Board of Trustees:

- Early Retirement benefits or retirement-type subsidies;
- Disability benefits (if not yet in pay status);
- Death benefits;
- Qualified Pre-Retirement Survivor Annuity (QPSA); and
- Benefit payment options, other than a qualified joint and survivor annuity ("QJSA").

If the Board of Trustees determines 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" will not reduce the level of your basic benefit payable at your normal retirement date. In addition, the reductions can only apply to participants and beneficiaries whose benefit commencement date is on or after September 27, 2022.

Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Plasterers Local Union No. 1 Pension Plan, at 525 Vine Street, Suite 2325, Cincinnati, OH 45202, or by calling 800-832-7113. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127284.