

SOUTHWEST OHIO REGIONAL COUNCIL OF CARPENTERS PENSION PLAN
2012 NOTICE OF CRITICAL STATUS
April 2012

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This Notice is to inform you that on March 29, 2012, the Plan Actuary for the Southwest Ohio Regional Council of Carpenters Pension Plan ("Plan") certified to the United States Department of the Treasury and to the Plan Sponsor ("the Board of Trustees") that the Plan is in critical status for the 2012 Plan Year, which begins on January 1, 2012 and ends on December 31, 2012. Federal law requires that you receive this Notice.

Critical Status

The Plan is considered to be in critical status because the Plan has funding or liquidity problems, or both. The 2010 Plan Year was the first year that the Plan was certified to be in critical status. This was because as of the Plan's 2010 PPA certification date the Plan was projected to have an accumulated funding deficiency for the 2013 Plan Year. A funding deficiency means that expected contributions to the Plan will not be sufficient to meet the government's minimum contribution requirements for funding purposes. It does not mean that the Plan is insolvent.

The Plan continues to be in critical status for the 2012 Plan Year because the Plan's Actuary has determined that the Plan has not passed the "Emergence Test" that would enable the Plan to come out of critical status.

On April 9, 2010 the Board of Trustees adopted a rehabilitation plan as required by the Pension Protection Act of 2006 (PPA) and the Plan is operating under this rehabilitation plan. For the 2012 Plan Year, the Plan's Actuary has certified that the Plan is making scheduled progress as required under its rehabilitation plan.

Rehabilitation Plan

Federal law requires that pension plans in critical status adopt a rehabilitation plan aimed at restoring the financial health of the plan. 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. Federal law also prohibits pension plans in critical status from paying "restricted benefits".

On April 29, 2010, you were notified that the Plan is no longer allowed to pay any lump sum benefits, including single sum disability benefits and death benefits, or any other payment in excess of the monthly amount paid under a single life annuity, such as the RIB benefit, while the Plan is in critical status. The Plan is not permitted to pay these benefits because they are considered "restricted benefits" under federal law.

On April 9, 2010 the Board of Trustees adopted a rehabilitation plan that was ratified by the bargaining parties that includes changes in the Plan's Early Retirement Benefits, Total and Permanent Disability Benefits, Qualified Pre-Retirement Survivor Benefits, and Suspension of Benefits Rules. The changes in these benefits are outlined as follows.

A participant who: (1) commences receipt of an Early Retirement Benefit from Deferred Vested status on or after September 1, 2010, (2) is at least age 55, and (3) has at least 5 Years of Vesting Service will receive an Early Retirement Benefit equal to his actuarially reduced accrued benefit. A participant will retire from Deferred Vested status if he is no longer working under the Plan at the time of his retirement and he has suffered a Break in Service. A Break in Service is defined as a Plan Year in which a participant fails to complete at least one Hour of Service with an Employer who is obligated to make contributions to the Plan.

A participant who: (1) commences receipt of an Early Retirement Benefit from Active service on or after September 1, 2010, (2) is at least age 55, and (3) has at least 5 Years of Vesting Service will receive an Early Retirement Benefit equal to his accrued benefit reduced by 0.003 for each month that his Early Retirement Date precedes his Normal Retirement Date.

A participant who: (1) commences receipt of an Early Retirement Benefit from Active service on or after September 1, 2010, (2) is at least age 55, and (3) his age plus his Years of Vesting Service equal 85 or more will receive an Early Retirement benefit equal to his accrued benefit. No reduction will be applied to reflect early commencement. However, eligibility for the "Rule of 85" will be determined solely on a participant's Years of Vesting Service earned under the Southwest Ohio Regional Council of Carpenters Pension Plan (or its predecessor plans). Continuous service under the United Brotherhood of Carpenters and Joiners of America will not be recognized.

A participant who: (1) is disabled on or after July 1, 2010, (2) is eligible for a Total and Permanent Disability Retirement Benefit, and (3) has at least 5 Years of Vesting Service will receive a monthly pension equal to the benefit he would have received under the Early Retirement provisions outlined above if he has attained at least age 55. A participant who is not eligible for an Early Retirement Benefit because he has not yet reached age 55 will receive a monthly pension equal to his actuarially reduced accrued benefit.

For deaths occurring on or after July 1, 2010, the amount payable to the surviving spouse of a vested, married participant who has not yet retired will be calculated as though he: (1) retired on the day of his death or at his earliest retirement age, if later, (2) elected to receive his benefit as a Qualified Joint and 50% Survivor Annuity, and (3) died. His surviving spouse will then receive monthly pension payments equal to 50% of the benefit that would have been payable to the participant. These payments will be made to the participant's surviving spouse for the remainder of her lifetime. However, no benefit payments will be made to the surviving spouse before the first day of the month following the participant's 55th birthday.

Finally, effective for retirements commencing on or after April 30, 2010, the Plan's suspension of benefit rules for Disqualifying Employment before Normal Retirement Age have been expanded. A participant who is receiving a retirement benefit from the Plan (other than a Disability Benefit) and who works in the industry covered by the Plan will have his monthly pension benefit suspended until his Normal Retirement Date. This suspension will occur regardless of where the work was performed or the number of hours the participant worked in the industry.

In addition to the benefit changes outlined above, the rehabilitation plan also calls for increases in the hourly contribution rate. The hourly contribution rate was increased by 50¢ per hour effective June 1, 2010. In addition, the rate will need to increase by at least 25¢ per hour for each Plan Year until 2020. This means that the hourly contribution rate for a Journeyman will increase from \$5.20 per hour on June 1, 2009 to \$8.20 per hour by June 1, 2020.

Adjustable Benefits

If it is determined that the Plan's rehabilitation plan needs to be amended, federal law permits pension plans in critical status to reduce or eliminate "adjustable benefits". The Plan offers the following "adjustable benefits" which could be reduced or eliminated as an amendment to the rehabilitation plan:

- Early Retirement Benefits or retirement-type subsidies;
- Disability Benefits (if not yet in pay status);
- Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits.

If the Board of Trustees of the Plan determines that any additional benefit reductions are necessary, you will receive a separate Notice in the future identifying the reductions and explaining their effect. Any reduction of "adjustable benefits" will not reduce the level of the basic benefit payable at your Normal Retirement Age, which is generally age 62. In addition, the reductions will only apply to participants and beneficiaries whose benefit commencement date is on or after August 28, 2010.

Employer Surcharge

Federal law requires that all contributing employers pay a surcharge to the plan to help correct the financial situation of a plan in critical status. 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.

Because the Southwest Ohio Regional Council of Carpenters Pension Plan is operating under a rehabilitation plan, the employer surcharge is currently not applicable.

Where to Get More Information

For more information about this Notice, you can contact the Board of Trustees of the Southwest Ohio Regional Council of Carpenters Pension Plan, c/o Compensation Programs of Ohio, Inc., 33 Fitch Boulevard, Austintown, Ohio 44515, or by calling 1-800-435-2388. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6127287. You have the right to request a copy of the Plan's rehabilitation plan and the actuarial and financial data that documents any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator.