MID-ATLANTIC REGIONAL COUNCIL OF CARPENTERS' PENSION PLAN

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Notice of Critical Status

For

Mid-Atlantic Regional Council of Carpenters' Pension Plan

April 30, 2015

This is to inform you that on March 31, 2015, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Mid-Atlantic Regional Council of Carpenters' (MARCC) Pension Plan is in critical status (the "red zone") **for the plan year beginning January 1, 2015**. Federal law requires that you receive this notice.

Introduction

On March 29, 2013, the Plan's actuary determined and certified that the MARCC Pension Plan was in "critical" status (that is, in the "red zone") for the 2013 Plan Year because the Plan's actuary determined that the Plan was projected to have an accumulated funding deficiency within three years. As required, the Plan's actuary again formally reviewed the status of the Plan's financial health and certified on March 31, 2015 that the MARCC Pension Plan continues to be in critical status for the 2015 Plan Year, because it was determined that it is projected to have an accumulated funding deficiency within an eight-year period. A plan must not have a funding deficiency in the plan year or any of the next nine plan years in order to exit critical status.

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. In addition to revising the plan's formula for future benefit accruals and making similar changes, the law permits pension plans in critical status to reduce, or even eliminate, benefits called "adjustable benefits" as part of the Rehabilitation Plan. As you know, the Trustees adopted a Rehabilitation Plan on May 1, 2013, which included reductions to some adjustable benefits for participants who were not yet retired on that date. A "Notice of Reduction in Adjustable and Ancillary Benefits" explaining all the changes adopted under the MARCC Pension Plan's Rehabilitation Plan was sent to you in September 2013. A "Notice of Reduction in Adjustable Benefits for Deferred Vested Participants" explaining an update to the MARCC Pension Plan's Rehabilitation Plan was sent to you in November 2014.

Adjustable Benefits

The MARCC Pension Plan offers the following adjustable benefits, which may be reduced or eliminated as part of the MARCC Pension Plan Rehabilitation Plan. If the Trustees of the MARCC Pension Plan determine that further benefit reductions are necessary as part of an update of the Rehabilitation Plan, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Again, the particular treatment of adjustable benefits by MARCC Pension Plan will be set out in the Rehabilitation Plan itself.

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- Lump sum death benefits;
- 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).

The Rehabilitation Plan adopted by the Trustees governs the particular treatment of Adjustable Benefits by MARCC Pension Plan. However, a Rehabilitation Plan may not reduce or eliminate the level of an accrued normal retirement benefit payable at Normal Retirement Age. In addition, reductions under the Rehabilitation Plan may only apply to participants and beneficiaries whose benefit commencement date is on or after the date notice of critical status was provided for the first plan year in which the plan entered critical status.

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 MARCC Pension Plan. A five percent surcharge is applicable in the initial critical year and a ten percent surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status, until the bargaining parties agree to implement one of the Schedules called for in the Rehabilitation Plan. With some exceptions, the five percent surcharge is payable on contributions due for work performed on and after May 26, 2013, until December 31, 2013, and the ten percent surcharge is payable with respect to periods after that, until the Rehabilitation Plan goes into effect. Virtually all employers have already agreed to implement the Preferred Schedule of the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact:

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