

NOTICE OF CRITICAL STATUS FOR THE 2015 PLAN YEAR
for
Pension Plan of International Union of
Bricklayers and Allied Craftworkers Local #15 Pennsylvania

This is to inform you that on September 28, 2015 the plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, who is the Plan Sponsor, that the Pension Plan of International Union of Bricklayers and Allied Craftworkers Local #15 Pennsylvania (“Plan”) is in critical status for the plan year beginning July 1, 2015 and ending June 30, 2016. Federal law requires that you receive this Notice.

Critical Status

A plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the Plan is considered to be in critical status in the 2015 plan year because it was in critical status in the 2014 plan year and the Plan’s actuary has projected that an accumulated funding deficiency will occur within ten years.

Rehabilitation Plan and Possibility of 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. The law permits pension plans to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. This is the second year the Plan has been in critical status. The Board of Trustees adopted a Rehabilitation Plan on October 7, 2014. This Rehabilitation Plan requires pension contribution rate increases but does not require any reduction in future benefit accruals or adjustable benefits. 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 a participant’s basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after October 24, 2014. You should also know that whether or not the Plan reduces adjustable benefits in the future, effective as of October 24, 2014, the Plan is not permitted to pay lump sum distributions in excess of \$5,000 (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the Plan may adopt:

- 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); and/or
- Pre-retirement death benefit for single participants.

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 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. The surcharge will cease to apply to any employer once its Collective Bargaining Agreement is in compliance with the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator, PATH Administrators, P.O. Box 6480, Harrisburg, PA 17112-0480, Telephone (717) 671-8551 or 1-800-636-7632. You have a right to receive a copy of the Rehabilitation Plan from the Plan.