

January 5, 2016

**Notice of Critical Status
for
Lumber Industry Pension Plan**

This is to inform you that on January 4, 2016, the Lumber Industry Pension Plan entered critical status for the plan year beginning January 1, 2016. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding problems or liquidity problems, or both, that would cause the Plan to enter critical status in the five years following the current plan year, and the Lumber Industry Plan Committee of the Board of Trustees of the CIC–Forest Products Retirement Trust has elected to enter critical status effective January 1, 2016 under the Multiemployer Pension Reform Act of 2014.

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. To the extent that the LI Plan Committee determines that benefit reductions are necessary, you will receive a separate notice later this month 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 application for benefits is received after January 4, 2016. But you should know that whether or not the plan reduces adjustable benefits in the future, effective as of January 5, 2016, the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount payable under a single life annuity) while in critical status.

Adjustable Benefits

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

- Early retirement benefits or early retirement type subsidies (if not in pay status as of January 4, 2016);
- 60-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Death benefits other than a qualified pre-retirement death benefit (QPSA);
- Benefit payment options other than a non-subsidized qualified joint-and-survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan’s financial health. The amount of the surcharge is equal to the percentage of the amount an employer is otherwise required to contribute to the Plan under the collective bargaining agreement. During the first year that a plan is in critical status, the percentage is 5% of required contributions. In subsequent plan years, it is 10% of required contributions. This surcharge does not apply to employers once a collective bargaining agreement that incorporates a rehabilitation plan schedule is adopted. Employers will receive 30-days’ advanced notice before the surcharge goes into effect.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan adopted by the LI Plan Committee free of charge. For more information about this Notice, you may contact Garth Fisher of Northwest Administrators, Inc. at (206) 726-3244 or at 2323 Eastlake Avenue East, Seattle, WA 98102.