

**NOTICE OF CRITICAL STATUS FOR THE 2017 PLAN YEAR**  
**for the**  
**Pension Plan of International Union of**  
**Bricklayers and Allied Craftworkers Local #15 Pennsylvania**

This Notice is to inform you that on September 28, 2017 the plan actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, the Board of Trustees of the Pension Plan of International Union of Bricklayers and Allied Craftworkers Local #15 Pennsylvania ("Plan"), that the Plan continues to be in critical status for the plan year beginning July 1, 2017 and ending June 30, 2018. 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's actuary has certified that the Plan is in critical status in the 2017 plan year because it was in critical status in the 2016 plan year and a funding deficiency, which is the failure to satisfy the minimum funding requirements, is projected to occur within four 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 fourth year the Plan has been certified by the Plan's actuary to be in critical status. The Board of Trustees adopted a Rehabilitation Plan on October 7, 2014, which was updated on June 16, 2016 and again updated on June 6, 2017. 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. Each year, the Trustees will review the progress of the Plan's funding status to determine whether the Plan remains in critical status. If necessary, the Trustees will modify the Rehabilitation Plan to reflect any changed circumstances.

**Adjustable Benefits**

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any Rehabilitation Plan the Trustees may adopt for the Plan:

- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidies;
- 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 a surcharge to the Plan 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, O'Neill Consulting Corporation, 487 Devon Park Drive, Suite 206, Wayne, PA 19087, Telephone: (215) 657-7400. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

*Dated: October 27, 2017*