
**Notice of Critical Status
For
Plasterers' Local 8 Pension Plan**

This is to inform you that on July 29, 2022 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning May 1, 2022. Federal law requires that you receive this notice.

Critical Status

The 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 because the Plan was in critical status last year and the plan is projected to have an accumulated funding deficiency in at least one of the next 9 years (beginning with the Plan Year beginning May 1, 2025).

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the seventh year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On August 2016, you were notified that as of August 26, 2016 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further 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 (other than a repeal of a recent benefit increase) 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 August 26, 2016.

Adjustable Benefits

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

- Sixty-month and 120-month payment guarantees;
- Disability benefits;
- Early retirement benefit or retirement-type subsidy; and
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA).

Current law also allows elimination of certain other benefits, rights or features of the Plan, such as post-retirement increases and ancillary benefits, regardless of 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 the plan under the applicable collective bargaining agreement. 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 under this paragraph ceases to be effective on the effective date of a collective bargaining agreement (or other such agreement) that includes terms consistent with a Rehabilitation Plan schedule. All current collective bargaining agreements appear to be consistent at least with the Default Schedule in the present Rehabilitation Plan and the Trustees have not assessed surcharges as a result.