Notice of Critical and Declining Status 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, 2024 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 is in critical and declining status for the plan year beginning July 1, 2024 and ending June 30, 2025. Federal law requires that you receive this Notice.

Critical and Declining Status

Critical and declining status is a category of pension plan funding status created by the Multiemployer Pension Reform Act of 2014. A plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has an accumulated funding deficiency for the current plan year and the Plan is projected to become insolvent within 15 years (in 2033), based upon a specific set of assumptions.

In the event the Plan becomes insolvent, benefits paid to participants may be reduced due to limits in the Multiemployer Benefit Guarantees provided by the Pension Benefit Guaranty Corporation ("PBGC"). You can find more information about PBGC Multiemployer Benefit Guarantees on the PBGC's website: https://www.pbgc.gov/prac/multiemployer/multiemployer-benefit-guarantees.

In order to prevent insolvency, the Plan is on the waiting list to apply for Special Financial Assistance under the American Rescue Plan Act of 2021. If approved, the Plan will receive financial assistance that is projected to be sufficient to pay retirement benefits without reduction for approximately the next 30 years.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical or critical and declining status to adopt a "rehabilitation plan" aimed at restoring the financial health of the plan. This is the 11th year the Plan has been certified by the Plan's actuary to be in critical status and the third year that it has also been certified to be in critical and declining status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan.

The Board of Trustees adopted a Rehabilitation Plan in October 2014, with updates adopted in April 2015, June 2016, June 2017, April 2018 and June 2019. Until 2019, the Rehabilitation Plan required pension contribution rate increases but did not require any reduction in future benefit accruals or adjustable benefits. However, in June 2019 you received notice that the Rehabilitation Plan was updated and the Pension Plan was amended effective July 1, 2019 to (i) change the normal retirement date for benefit accruals earned on and after July 1, 2019, (ii) eliminate the pre-retirement death benefit for single participants for deaths occurring on or after July 1, 2019 and (iii) increase the age for unreduced early retirement eligibility for benefits earned on and after July 1, 2019.

If the Board of Trustees determines that future 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 while the Plan is solvent. 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 or critical and declining 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; and/or
- Benefit payment options other than a qualified joint and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay a temporary 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. This surcharge currently does not apply to any employer as 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 Fund's Contract Administrator, Lawrence C. Musgrove Associates, Inc., P.O. Box 1769, Salem, VA 24153, Telephone: 1-800-552-6972. For identification purposes, the official plan number for this Plan is 001 and the employer identification number or "EIN" is 23-6289032. You have a right to receive a copy of the Rehabilitation Plan. You may write to the Fund's Contract Administrator at the above address to request a copy of the Rehabilitation Plan.

Dated: October 2024