



INTERNATIONAL ASSOCIATION OF BRIDGE, STRUCTURAL, ORNAMENTAL AND REINFORCING IRONWORKERS LOCAL UNION NO. 79 FRINGE BENEFIT FUNDS



Administered by Southern Benefit Administrators, Incorporated

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Notice of Critical and Declining Status For Ironworkers Local #79 Pension Plan

This is to inform you that on July 29, 2015 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical and declining status for the plan year beginning May 1, 2015. Federal law requires that you receive this notice. In the future you will receive an annual update of this status and the progress the Plan is making towards the goals described below.

Critical Status

The Plan is considered to be in critical and declining status because it is projected to satisfy the following:

Projected accumulated funding deficiency within the current or next 3 plan years

The Plan's actuary projects that, if no further action is taken, the Plan has a current accumulated funding deficiency (not recognizing any amortization extensions) at the beginning of the 2015-16 plan year. Note, "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements.

Projected insolvency within the current or next 20 plan years and number of inactive is more than twice that of actives

The Plan's actuary determined that the ratio of inactive to actives is 2.12. The Plan's actuary also projects that, if no further action is taken, the Plan is projected to be insolvent in the next 20 years.

As required by law, the Plan Actuary's certification includes only contribution rate increases that have been codified in collective bargaining or participation agreements.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical and declining status to adopt a rehabilitation plan aimed at restoring the financial health of the Plan. A rehabilitation plan may involve reductions to future benefit accruals, increases to contribution rates, or both. The law also permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. The Plan offers the following adjustable benefits which may be reduced or eliminated (for all participants, including those not yet in pay status) as part of any rehabilitation plan the Pension Plan may adopt:

- Pre-retirement death benefits;
- Benefits in effect less than 60 months;

In addition the trustees of a critical and declining plan may recommend benefit reductions. The reduction must eliminate the insolvency (no more, no less), must be within allowable limits and must be equitably allocated. All reasonable measures must also have already been taken. Any such recommended benefit reductions are also subject to a participant vote. If the Trustees of the Plan determine that the above benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. But you should know that whether or not the Plan reduces adjustable benefits, effective as of August 28, 2013, the Plan is not permitted to pay any lump sum benefits 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 and declining status.

Future Experience and Possible Adjustments

The rehabilitation plan is based on a number of assumptions about future experience and may need to be adjusted in the future if such assumptions are not met. Additional contribution rate increases and/or reductions in the rate at which benefits are earned may be needed if the Fund were to suffer asset returns below the expected 7.50% (in the 2015 plan year or later), a drop in the hours worked, or poor experience from other sources. If, at some point in time, the Trustees determine that further adjustments are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

You have a right to receive a copy of the rehabilitation plan once it has been formally approved by the bargaining parties. To receive a copy, you may contact the Fund Office at Southern Benefit Administrators, Inc., 2001 Caldwell Drive, Goodlettsville, TN 37072 at or by telephone at 615-859-0131.