

SOUTHWEST OHIO REGIONAL COUNCIL OF CARPENTERS PENSION PLAN

2015 Notice of Critical and Declining Status

April 2015

This is to inform you that on March 30, 2015 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Southwest Ohio Regional Council of Carpenters Pension Plan ("Plan") is in critical and declining status for the Plan Year beginning January 1, 2015. Federal law requires that you receive this notice.

Critical and Declining Status

The 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 has determined that the Plan is projected to have an accumulated funding deficiency within the next 9 Plan Years and the funded percentage of the Plan is less than 80%. In addition, the Plan is projected to become insolvent within the next 20 Plan Years. Insolvent means that the Plan's available resources are not sufficient to pay benefits under the Plan during the Plan Year for which they are due.

Possibility of Benefit Suspensions

Federal law allows multiemployer pension plans that are in critical status and declining status to suspend plan benefits. The Board of Trustees of a plan in critical and declining status may, by plan amendment, suspend benefits that the Board deems appropriate. A suspension of benefits means a temporary or permanent reduction of any current or future payment obligation of the plan to any participant or beneficiary under the plan, whether or not in pay status at the time of the suspension of benefits.

There are rules and conditions that must be satisfied before a plan could suspend benefits. For example, no suspension of benefits could occur unless the plan's participants have been provided with a notice of any proposed benefit suspensions. Concurrently with any such notice, an application for approval of any possible benefit suspension must be made to the Federal government. The Treasury Secretary, in consultation with the Pension Benefit Guaranty Corporation (PBGC) and the Secretary of Labor, can reject, approve or not provide comment on any benefit suspension applications that they receive. As part of any application process, within 30 days of the application submission, plan participants would be able to submit comments to the Federal government regarding any possible benefit suspensions. Also, a participant vote is required before any suspension of benefits may take effect.

There are also limitations and restrictions on benefits that may be suspended. For example, there are limits to the amount that benefits can be suspended for participants or beneficiaries who have attained age 75 as of the effective date of any benefit suspension. Participants or beneficiaries who have attained age 80 as of the effective date of any benefit suspension or who are receiving benefits based on disability (as defined under the plan) may not have their benefits suspended.

If the Board of Trustees determines that benefit suspensions are necessary, you will receive a separate Notice in the future identifying and explaining any such benefit suspensions.

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. 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 April 9, 2010 the Board of Trustees adopted a rehabilitation plan that was ratified by the bargaining parties that includes changes in the Plan's Early Retirement Benefits, Total and Permanent Disability Benefits, Qualified Pre-retirement Survivor Benefits, and Suspension of Benefits Rules. This rehabilitation plan was updated during the 2012 Plan Year. On April 29, 2010, you were notified that 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.

Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of any rehabilitation plan update that the Plan may adopt:

- Early Retirement Benefits or retirement-type subsidies;
- Disability Benefits (if not yet in pay status);
- Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits.

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 the possible benefit suspensions described above) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, (other than the possible benefit suspensions described above) the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 29, 2010.

Where to Get More Information

For more information about this Notice, you can contact the Board of Trustees of the Southwest Ohio Regional Council of Carpenters Pension Plan, c/o BeneSys, Inc. at 33 Fitch Boulevard, Austintown, Ohio 44515, or by calling 1-800-435-2388. You have a right to receive a copy of the rehabilitation plan from the Plan.