
**Notice of Critical Status
for the
Asbestos Workers Philadelphia Pension Plan**

This is to inform you that on **September 28, 2020** 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 July 1, 2020. 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's actuary has determined that the plan was in critical status last year and has an accumulated funding deficiency for the current plan year (i.e., the plan year beginning July 1, 2020).

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 twelfth 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 October 27, 2008, you were notified that as of October 27, 2008 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. On May 15, 2017, you were notified that the Plan reduced 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 a repeal of a recent benefit increase, as described below) 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 27, 2008.

Adjustable Benefits

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

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);

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Employer Surcharge

The law generally requires that all contributing employers pay to the plan a surcharge to help correct the financial situation. The surcharge is not applicable to this plan because the bargaining parties have agreed to and have implemented the rehabilitation plan developed by the Trustees.

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrator at 2014 Hornig Road, Philadelphia, PA 19116, or by phone at 215-289-4303, Option #1. For identification purposes, the official plan number is 001, the plan sponsor's name is the Board of Trustees, Asbestos Workers Philadelphia Pension Plan and the employer identification number or "EIN" is 23-6406511. You have a right to receive a copy of the rehabilitation plan from the plan.

Issued: October 2020