
**Notice of Critical and Declining Status
For
Roofers and Slaters Local 248 Pension Plan**

This is to inform you that on August 28, 2020 the Roofers and Slaters Local 248 Pension Plan ("Plan") actuary certified to the U.S. Department of the Treasury, and also to the Plan sponsor, that the Plan is in "critical and declining status" for the plan year beginning June 1, 2020 as defined by the Multiemployer Pension Reform Act of 2014 ("MPRA"). 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 determined that (1) the Plan is likely to be insolvent within the next 20 years, (2) the funded percentage for the Plan Year beginning June 1, 2020 is less than 80%, and (3) as of June 1, 2020 the ratio of inactive to active Plan participants is greater than 200%.

Rehabilitation Plan

Federal law requires that pension plans in "critical status" adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Trustees adopted a rehabilitation plan in 2011. (This is the 10th year the Plan has been in critical status and the 5th year the Plan has been in critical and declining status.) The law also permitted the Trustees to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On or about September 23, 2010, and again in April 2011, you were notified that the Trustees could reduce or eliminate adjustable benefits as part of the Rehabilitation Plan. You were also notified at that time that, as of September 23, 2010, 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 in critical status. Effective September 14, 2014, the Plan was amended to cease future benefit accruals and effective October 1, 2014, the Plan was amended to eliminate the Disability Benefit and modify the Death Benefit and the Early Retirement Benefit. 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.

With the certification that the Plan is now classified as a critical and declining plan, there are additional benefit adjustments the Trustees are permitted to make to improve the financial health of the Plan under certain circumstances. These new adjustments are discussed below. You should know that **at this time the Plan is not implementing any additional benefit adjustments permitted by MPRA.**

Federal law generally permits pension plans, in addition to reducing or eliminating adjustable benefits, to propose suspending accrued benefits for participants, including those in pay status (retirees). There are limits on how much accrued benefits may be suspended, and before they can be suspended, the law requires the proposed benefit

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suspension be submitted to and approved by the Secretary of the Treasury and be submitted to a vote of the participants, including retirees.

Any reduction of adjustable benefits, as allowed for under the current rehabilitation plan 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 September 23, 2010. However, reductions in the participant's basic benefit payable at normal retirement may occur if benefits are suspended under the new MPRA rules. If the Trustees of the Plan propose to suspend portions of accrued benefits, you will be provided with ample notice and the opportunity to vote on the reductions. 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.

Accrued Benefits

Under MPRA, the suspension of accrued benefits could include reduction of the normal retirement age benefit for active employees and terminated employees who have not started their pension as well as a reduction in the benefit currently payable to retirees and beneficiaries. Any suspension of accrued benefits may not reduce the level of a participant's benefit to less than 110% of the PBGC benefit guarantee level nor may it reduce benefits for any participant on a disability pension or who is over the age of 80 (and any benefit suspension is phased in from age 75 to 80).

Where to Get More Information

For more information about this Notice, you may contact the Plan Administrative Agent, Kara Adamites, at 55 Main Street, Chicopee, MA 01020 or by phone at 413-594-5494. For identification purposes, the official plan number is 001, the plan sponsor's name is the Board of Trustees, Roofers and Slaters Local No. 248 Pension Plan and the employer identification number or "EIN" is 04-2316465. You have a right to receive a copy of the rehabilitation plan from the plan.

Issued: September 2020

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