

ADMINISTRATION OFFICE
CARPENTERS HEALTH FUND OF WEST VIRGINIA
CARPENTERS PENSION FUND OF WEST VIRGINIA

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ESBA/PUBLIC DISCLOSURE
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Notice of Critical Status
For
Carpenters Pension Fund of West Virginia

This is to inform you that on March 28, 2013 the Plan Actuary certified to the U.S. Department of the Treasury and to the Plan Sponsor that the Plan is in critical status for the plan year beginning January 1, 2013. 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 status because it is projected to have an accumulated funding deficiency within the next three years if the effect of amortization extensions are ignored. Note that "accumulated funding deficiency" means that contributions would be insufficient to satisfy Federal requirements; it does not mean that the Fund would become bankrupt or run out of money.

As required by law, the Plan Actuary's certification includes no future contribution rate increases unless they have been agreed upon in collective bargaining or participation agreements.

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. 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 participants not yet in pay status) as part of any rehabilitation plan the Pension Plan may adopt:

- Disability benefits;
- Early retirement benefits or subsidies;
- Post-retirement death benefits;
- Any benefit enhancements made by the plan within the last five years

No changes are permitted to benefits for participants who are retired and currently receiving benefits unless some of those benefits were the result of benefit enhancements made by the plan within the last five years.

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 April 26, 2013, the Plan is not permitted to pay any 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.

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 2013 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.

Employer Surcharge

The law requires that all contributing employers pay to the Plan a surcharge beginning on May 26, 2013 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. 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.

Over please

The surcharges continue until the bargaining parties formally adopt a bargaining agreement that is consistent with a plan of rehabilitation established by the Board of Trustees. *It is the intention of the Board of Trustees to have rehabilitation plan options submitted to the bargaining parties very soon, so that formal approval of a rehabilitation plan can be made before May 26, 2013. If the bargaining parties are able to adopt a schedule consistent with the rehabilitation plan prior to that date, surcharges would not be required.*

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 American Benefit Corporation at 3150 US Route 60, Ona, WV 25545 or by telephone at (304) 781-3928.