Notice of Critical Status

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, Participating Unions, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: October 25, 2013

RE: Notice of Critical Status of the Plan for the DuPage County Cement Masons' Local 803 Pension Plan

This is to inform you that on September 27, 2013, the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plan will be in Critical status for the Plan year beginning July 1, 2013. 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 determined that as of July 1, 2013, the plan was in critical status last year and over the next 9 years, the plan is projected to have an accumulated funding deficiency for the Plan year ending June 30, 2022.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. In an effort to improve the Plan's funding situation, the Trustees adopted a rehabilitation plan on August 21, 2012. The rehabilitation plan requires that the annual contribution rate be raised annually by 85 cents per hour for the period from June 1, 2013 through June 1, 2016 resulting in an ultimate contribution rate of $18.70 effective June 1, 2016. In addition, the rehabilitation plan included various benefit provision changes that are summarized in the Annual Funding Notice for the plan year ended June 30, 2013.

Because the Pension Plan was certified to have remained in Critical status as of July 1, 2013, the Trustees are required to update the Rehabilitation Plan originally adopted on August 21, 2012. In general, a rehabilitation plan must be projected to achieve certain funding improvement benchmarks within a specified time frame. It is still possible that future annual updates will require that the Rehabilitation Plan be modified to require either benefit reductions or additional contribution rate increases (or both) in response to future developments in the funding position of the Pension Plan.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) disability benefits (if not yet in pay status); (ii) early retirement benefit or retirement-type subsidy, (iii) pre-Retirement death benefits and (iv) benefit payment options other than a qualified joint-and survivor annuity (QJSA).

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the Plan's financial situation until the bargaining parties amend their collective bargaining agreement to include terms consistent with the schedules set forth in the Rehabilitation Plan. 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. The bargaining parties for all agreements adopted a schedule under the Rehabilitation plan before any surcharges went into effect.

Where to Get More Information

For more information about this Notice, you may contact the Fund's Administrator, William H. Beeman at 739 South 25th Avenue, Bellwood, IL 60104 or at 708-544-9105..

You have a right to receive a copy of the rehabilitation plan from the plan.