

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

3150 U.S. ROUTE 60 - ONA, WV 25545 - (304) 525-0331

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EOSA/PUBLIC DISCL

**Notice of Critical Status**  
**For**  
**Carpenters Pension Fund of West Virginia**

This is to inform you that on March 31, 2014 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, 2014. *This is the same status as was certified for 2013. Although strong investment results have improved the funding of the plan, they are not yet sufficient to enable the plan to move out of critical status.* 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 satisfy the following:

Projected accumulated funding deficiency within the current or next 3 plan years

The Plan's actuary projects that, if no further action is taken, the Plan will have an accumulated funding deficiency (not recognizing any amortization extensions) for the plan year ending December 31, 2014. Note, "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 only contribution rate increases that have been codified 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;

Last year the Trustees adopted a rehabilitation plan that calls for annual contribution increases to enable the pension plan to improve its funded status over time. No benefit reductions were included. The rehabilitation plan must be reviewed annually. 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 2014 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.

**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) 525-0331 or (800) 553-9032.