



**PLUMBERS LOCAL 98  
FRINGE BENEFIT FUNDS**  
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**Notice of Critical Status For  
Plumbers Local 98 Defined Benefit Pension Fund  
April 30, 2015**

This is to inform you that on March 31, 2015, the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Plumbers Local 98 Defined Benefit Fund (plan) is in critical status for the plan year beginning January 1, 2015. Federal law requires that you receive this notice.

**Critical Status**

Under the PPA, the plan is considered to be in critical status because the plan was in critical status last year and the plan is projected to have an accumulated funding deficiency over the next nine plan years.

**Rehabilitation Plan**

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 sixth 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 April 23, 2010, you were notified that as of April 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 it is in critical status. On April 30, 2010, you were notified that the plan reduced or eliminated adjustable 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 April 23, 2010.

**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:

- Disability benefits, not yet in pay status or as otherwise allowed by law
- Early retirement benefit or retirement-type subsidy
- Benefit payment options other than a qualified joint-and survivor annuity
- Recent benefit increases (i.e. occurring in the past 5 years)

**Employer Surcharge**

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The surcharge is not imposed where the applicable collective bargaining agreement includes terms consistent with a 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. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each plan year thereafter that the plan is in critical status.

**Where to Get More Information**

For more information about this Notice, you may contact the Fund Office, 700 Tower Drive, Suite 300, Troy Michigan 48098, telephone number 248-813-9800. You have a right to receive a copy of the rehabilitation plan from the plan.