

Ironworkers Pension Trust Fund For Colorado

NOTICE OF CRITICAL STATUS

For

Ironworkers Pension Trust Fund For Colorado

July 29, 2016

This is to inform you that on June 29, 2016 the Plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the Ironworkers Pension Trust Fund For Colorado (Plan) is in critical status for the plan year beginning April 1, 2016. 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 the Plan was in critical status last year and is projected to incur an accumulated funding deficiency within the current or succeeding 9 Plan Years (current Plan Year). As a result, the Plan has not emerged from critical status in accordance with Internal Revenue Code Section 432(e)(4)(B).

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. This is the 4th 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 July 1, 2013, Plan participants were notified that the Plan reduced or eliminated adjustable benefits effective August 1, 2013. 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 July 31, 2013. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of July 31, 2013, 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. However, the Plan may still pay mandatory lump sum distributions as required by law or any makeup payment in the case of a retroactive annuity starting date. The Plan's rehabilitation period began April 1, 2015. Upon determination by the Board of Trustees that the Plan had exhausted all reasonable measures to emerge from critical status by the end of the original 10-year Rehabilitation Period, the Rehabilitation Plan has been extended by 10 years and the Plan is expected to emerge from critical status at the end of this extended period.

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Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of the adopted rehabilitation plan:

- Post-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Recent benefit increases (i.e., occurring in past 5 years);
- Other similar benefits, rights, or features under the Plan

Employer Surcharge

The law requires that all contributing employers pay the Plan a surcharge 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. With some exceptions, 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, until the applicable collective bargaining agreement includes terms consistent with an appropriate schedule pursuant to the rehabilitation plan adopted by the Board of Trustees on June 17, 2013 and effective August 1, 2013. However, since the parties agreed to terms consistent with an appropriate schedule pursuant to the adopted rehabilitation plan in the 2013 collective bargaining agreement, these surcharges no longer apply.

Where to Get More Information

For more information about this Notice, you may contact Zenith America Solutions by phone at (303) 428-2416 or by mail at 5511 W. 56th Avenue, Suite 250, Arvada CO 80002. You have a right to receive a copy of the rehabilitation plan from the Plan.

July 29, 2016