Notice of Critical Status

For

Joint Board 18 Pension Fund

This is to inform you that on September 27, 2016 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 July 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 problems. More specifically, the plan's actuary determined that the plan was in critical status last year and continues to be in critical status.

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 8th year the plan has been in critical status. The Trustees of the Fund adopted a rehabilitation plan on April 6, 2009. The rehabilitation period is the thirteen year period that began July 1, 2010. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On October 28, 2008 you were notified that you may not receive any payment in excess of the monthly amount paid under a single life annuity while it is in critical status. 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 30 days following notice of such reduction.

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:

- ☐ 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 {provide identification}

Employer Surcharge

The law requires that all contributing employers who are not in compliance with the terms of the rehabilitation plan pay to 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 such time as the contributing employer complies.

Where to Get More Information

For more information about this Notice, you may contact Joint Board 18 Pension Fund at 212-889-8180, 147 East 26th Street, New York, New York 10010. You have a right to receive a copy of the rehabilitation plan from the plan.

ANNUAL FUNDING NOTICE
For
Joint Board 18 Pension Fund

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning July 1, 2015 and ending June 30, 2016 ("Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2015	2014	2013
Valuation Date	July 1, 2015	July 1, 2014	July 1, 2013
Funded Percentage	78.3%	78.3%	78.9%
Value of Assets	$ 3,088,511	$ 3,005,254	$ 2,941,982
Value of Liabilities	$ 3,942,035	$ 3,836,873	$ 3,726,604

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

	June 30, 2016	June 30, 2015	June 30, 2014
Fair Market Value of Assets	$3,539,188	$3,486,594	$3,433,822

Endangered, Critical or Critical and Declining Status

Under Federal Pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the Trustees of the Plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the Trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficaires.

The Plan was in "critical status" in the Plan Year ending June 30, 2016 because it was in critical status for the Plan Year ending June 30, 2015 and did not emerge during the Plan Year ending June 30, 2016 under the statutory requirements for emerging. In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan on April 6, 2009. The rehabilitation period is the thirteen year period that began July 1, 2010. As part of the rehabilitation plan, the bargaining parties agreed to a series of contribution increases to be effective in the 2009 plan year as each collective bargaining agreement expires. You may get a copy of the Plan's rehabilitation plan, any update to such plan and the actuarial and financial data that demonstrate any action taken by the Plan toward fiscal improvement. You may get this information by contacting the plan administrator.

If the Plan is in endangered, critical or critical and declining status for the plan year ending June 30, 2017, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 762. Of this number, 331 were current employees, 185 were retired and receiving benefits, and 246 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to accumulate sufficient funds, within a framework of collective bargaining agreements between the Union and the contributing employers, to provide for the retirement benefits stated in the Plan.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to allocate invested assets up to a maximum of 50% and a minimum of 45% in equities, and a maximum of 50% and a minimum of 45% in fixed income investments. The guidelines provide that all corporate bonds shall be grade BBB or better and the average quality of the total fixed income portfolio shall be AA or better. The fixed income portfolio shall be limited to 20% of the assets invested in mortgage-backed or asset-backed securities and not more than 40% of the assets may be invested in corporate bonds.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	02.01
2. U.S. Government securities	00.00
3. Corporate debt instruments (other than employer securities):	
Preferred	00.00
All other	00.00
4. Corporate stocks (other than employer securities):	
Preferred	00.00
Common	00.00
5. Partnership/joint venture interests	00.00
6. Real estate (other than employer real property)	00.00
7. Loans (other than to participants)	00.00
8. Participant loans	00.00
9. Value of interest in common/collective trusts	97.99
10. Value of interest in pooled separate accounts	00.00
11. Value of interest in 103-12 investment entities	00.00
12. Value of interest in registered investment companies (e.g., mutual funds)	00.00
13. Value of funds held in insurance co. general account (unallocated contracts)	00.00
14. Employer-related investments:	
Employer Securities	00.00
Employer real property	00.00
15. Buildings and other property used in plan operation	00.00
16. Other	00.00
Total	100.00

For information about the plan's investment in common/collective trusts contact the Joint Board 18 Pension Fund at 147 East 26th Street, New York, New York 10010.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information About Your Plan

For more information about this notice, you may contact the Joint Board 18 Pension Fund at 212-889-8180, 147 East 26th Street, New York, New York 10010. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 51-6053860.