PLUMBERS LOCAL 98
FRINGE BENEFIT FUNDS
P.O. BOX 159
TROY, MICHIGAN 48099-0159
(248) 641-4988 (866) 646-8919

Notice of Critical Status For
Plumbers Local 98 Defined Benefit Pension Fund
April 29, 2016

This is to inform you that on March 30, 2016, 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, 2016. 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 ten 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 seventh 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 248-641-4988. You have a right to receive a copy of the rehabilitation plan from the plan.

W1798067.DOC/A57/113267

PLUMBERS LOCAL 98
FRINGE BENEFIT FUNDS
P.O. BOX 159
TROY, MICHIGAN 48099-0159
(248) 641-4988 (866) 646-8919

ANNUAL FUNDING NOTICE

Plumbers Local 98 Defined Benefit 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. 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 January 1, 2015, and ending December 31, 2015 ("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 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 Plan Year	**2014 Plan Year**	**2013 Plan Year**
Valuation Date	01/01/2015	01/01/2014	01/01/2013
Funded Percentage	65.3%	71.0%	71.8%
Value of Assets	$ 163,276,185	$ 161,139,078	$ 156,940,034
Value of Liabilities	$ 249,858,363	$ 227,089,712	$ 218,619,781

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 states 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.

	As of December 31, 2015	**As of December 31, 2014**	**As of December 31, 2013**
Fair Market Value of Assets	$ 151,692,230 (unaudited)	$ 157,789,817	$ 157,452,023

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 beneficiaries.

Although the Plan's funded percentage, as set forth above, was above 65% for the Plan Year, it was in critical status due to a projected funding deficiency. In an effort to improve the Plan's funding situation, the trustees adopted a rehabilitation plan on May 25, 2010. The rehabilitation plan is a combination of contribution rate increases and benefit reductions and has a duration of 10 years, or less if the Plan emerges from critical status. You may obtain a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 2,665. Of this number, 728 were active participants, 1,531 were retired or separated from service and receiving benefits, and 406 were retired or separated from service and entitled 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 primary source of Plan funding for the benefits provided under the Plan and for the expenses of the Plan operations are employer contributions. The rate of contribution is set forth in the Collective Bargaining Agreement, or other written agreement requiring contributions to the Fund. Additionally, plan assets are invested which results in investment income to 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 achieve the following long-term investment objectives, consistent with the requirements of prudent asset class diversification: (A) earn a sufficient rate of return over the long-term to continue meeting the minimum funding requirements of ERISA; (B) maintain sufficient liquidity to facilitate full and timely payment of benefits and expenses; (C) earn a long-term rate of return that meets or exceeds the Plan's assumed actuarial rate while attempting to control the volatility of returns; and (D) earn a long-term rate of return that equals or exceeds the Plan's Policy Index. The investment of the Plan assets shall be in accord with all provisions of the Employee Retirement Income Security Act of 1974. In accordance with 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.

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)	3.25%
2.	U.S. Government Securities	4.87%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	4.73%
	All other	4.89%
4.	Corporate stocks (other than employer securities):	
	Preferred	
	Common	33.50%
5.	Partnership / joint venture interests	20.82%
6.	Real estate (other than employer real property)	
7.	Loans (other than to participants)	
8.	Participant loans	
9.	Value of interest in common / collective trusts	2.12%
10.	Value of interest in pooled separate accounts	
11.	Value of interest in 103-12 investment entities	7.60%
12.	Value of interest in registered investment companies (e.g., mutual funds)	11.47%
13.	Value of funds held in insurance co. general account (unallocated contracts)	
14.	Employer-related investments:	
	Employer Securities	
	Employer real property	
15.	Buildings and other property used in plan operation	
16.	Other	6.75%

For information about the Plan's investment in any of the following types of investments– common/collective trusts, pooled separate accounts, or 103-12 investment entities – contact the Plan administrative office at 700 Tower Dr., Suite 300, Troy, MI 48098, (248) 641-4988.

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. No actions have been taken to date for the 2016 Plan Year that are expected to have such an effect.

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, the 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 the 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 plan administrator at the following address: Plumbers Local 98 Defined Benefit Pension Fund, 700 Tower Drive, Suite 300, Troy, Michigan 48098, telephone number (248) 641-4988. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 38-3031916. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov.