

**Notice of Critical Status  
for  
The National Asbestos Workers Pension Plan**

This is to inform you that on September 27, 2019, the plan actuary certified that the National Asbestos Workers Pension Plan (the “Plan” or “Fund”) is in critical status for the plan year beginning July 1, 2019. The Plan was previously certified to be in endangered status for the plan year beginning July 1, 2018. 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 is projected to have an accumulated funding deficiency within the next ten years. The Plan is not projected to go insolvent.

**Rehabilitation Plan**

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Plan was originally in critical status from July 1, 2010 through June 30, 2018. Thereafter, it was in endangered status from July 1, 2018 through June 30, 2019. This is the first year for which the Plan has returned to critical status. The law provides for the reduction, or even elimination, of benefits called “adjustable benefits” as part of a rehabilitation plan. In December 2010, you were notified that the Plan reduced or eliminated adjustable benefits. At the same time, you were also notified that the Plan is not permitted to pay lump sum benefits or initiate benefits under the Social Security income leveling form while the Plan is in critical status. These adjustments and restrictions remain in effect. If the Trustees of the Plan determine that further benefit reductions are necessary now that the Plan is back in critical status, you will receive a separate notice in the future identifying and explaining the effect of those reductions. There have been no changes to plan benefits since the changes announced in December 2010.

**Adjustable Benefits**

The following are examples of adjustable benefits that may be reduced or eliminated as part of a rehabilitation plan:

- Pre-retirement death benefits other than a qualified pre-retirement 50% survivor annuity (QPSA);
- Early retirement benefit or retirement-type subsidies, such as the “30 and out” benefit and the “rule of 90” benefit;
- Subsidized benefit payment options other than a qualified joint-and-survivor annuity (QJSA);
- Recent benefit increases (*i.e.*, occurring in the past 5 years);
- Disability benefits;
- 60-month payment guarantees; or
- Benefit formula multiplier for future benefit accruals.

Some of these benefits were reduced or eliminated in the Plan of Rehabilitation announced in December 2010.

### **Employer Surcharge**

The law requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial situation until such time as a bargaining agreement consistent with the Rehabilitation Plan is implemented. 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 a bargaining agreement consistent with the Rehabilitation Plan is adopted. The surcharge is not applicable if a bargaining agreement consistent with the original Plan of Rehabilitation is currently in effect, which we believe is the case for all participating Local Unions and their partnering signatory contractors.

### **Where to Get More Information**

For more information about this notice, you may contact Carday Associates, Inc. (now a part of BeneSys), 7130 Columbia Gateway Drive, Suite A, Columbia, MD 21046 or at (800) 386-3632. You have a right to receive a copy of the Rehabilitation Plan from the Fund.