

**Notice of Critical Status
as of November 1, 2020
for
Sheet Metal Workers Local 112 Pension Plan
EIN: 16-6052226
PN: 001**

The Plan actuary has certified to the U.S. Department of the Treasury and to the Board of Trustees, that the Plan is in Critical Status for the Plan Year beginning November 1, 2020. This Notice is required by Federal law.

Critical Status

The Plan is 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 be in Critical Status within the current Plan Year or in any of the succeeding three Plan Years.

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. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. If the Plan's Board of Trustees determine that 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 will not reduce the level of a participant's normal benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after March 1, 2021. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of January 29, 2021, 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 the Plan is in Critical Status.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated effective March 1, 2021 as part of any Rehabilitation Plan the Plan may adopt:

- The 120-Month Guarantee
- All Early Retirement Subsidies
- All Disability Benefits

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 an employer agrees to a collective bargaining agreement that implements one of the schedule of the Rehabilitation Plan.

Where to Get More Information

For more information about this Notice or Rehabilitation Plan, you may contact Mr. Don Kraft at 1.607.733.3732 or by mail at Sheet Metal Workers Local No. 112, P.O. Box 1146, Elmira, NY 14902. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

DATE SENT: _____