

NOTICE OF CRITICAL AND DECLINING STATUS
FOR
IDAHO SIGNATORY EMPLOYERS - LABORERS PENSION PLAN

This is to inform you that on March 27, 2015 the Plan Actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees for the Idaho Signatory Employers – Laborers Pension Plan (“Plan Sponsor”) that the Idaho Signatory Employers – Laborers Pension Plan (“Plan”) is in critical and declining status for the Plan Year beginning January 1, 2015. Federal law requires that you receive this notice.

Critical and Declining 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 reported to the Plan Sponsor its determination that the Plan is less than 65 percent funded and has an accumulated funding deficiency for the current Plan Year. The Plan is considered to be in critical and declining status because it meets the above criteria for critical status and because it is projected to become insolvent within the next 20 years.

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, 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. Please refer to the annual funding notice for more information regarding PBGC benefit guarantees.

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 eighth year the Plan has been in critical status and the first year it has been in critical and declining status. Critical and declining status was added to federal law starting in 2015.

The law permits pension plans in critical status to reduce, or even eliminate, benefits called “adjustable benefits” as part of a rehabilitation plan. On August 28, 2008, you were notified that the Plan reduced or eliminated adjustable benefits. If the Plan Sponsor determines that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

The plan sponsor of a plan in critical and declining status may also apply for approval to amend the plan to suspend current and future payment obligations to participants and beneficiaries. These benefit suspensions are *in addition to* reductions to adjustable benefits. Benefit suspensions can affect current retirees.

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, as indicated:

- 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 including pre-retirement death benefits.

Benefit Suspensions

Under certain conditions, the law also permits pension plans in critical and declining status to temporarily or permanently reduce benefits payable under the Plan. Any suspension of benefits must be reasonably estimated to avoid insolvency. Benefits may not be reduced below 110 percent of the monthly benefit guaranteed by the Pension Benefit Guaranty Corporation on the date of the suspension. Disabled participants and retirees over 80 on the date of suspension are exempted from benefit reductions, and retirees age 75 to 79 are partially exempted. In general, benefit suspensions must be equitably distributed among participants and beneficiaries, including current retirees.

Where to Get More Information

For more information about this Notice, you may contact The William C. Earhart Co., Inc., P.O. Box 4148, Portland, Oregon 97208. Phone: (503) 282-5581 or (800) 547-1314.

You have a right to receive a copy of the Rehabilitation Plan.