**BRICKLAYERS LOCAL NO. 55 PENSION PLAN**
**2018 NOTICE OF CRITICAL AND DECLINING STATUS**
*August 2018*

On July 26, 2018 the actuary for the Bricklayers Local No. 55 Pension Plan ("Plan") certified to the U.S. Department of the Treasury and the Plan Sponsor ("Board of Trustees") that the Plan is in "critical and declining status" for the 2018 Plan Year. The 2018 Plan Year began on May 1, 2018 and will end on April 30, 2019. Federal law requires that you receive this Notice.

## Critical and Declining Status

The Plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the Plan's Actuary has determined that the Plan is projected to have an accumulated funding deficiency within the next nine Plan Years and its funded percentage is less than 80%. In addition, the Plan is projected to become insolvent and require financial assistance from the Pension Benefit Guaranty Corporation (PBGC) by the year 2035. Insolvent means that the Plan's available resources are not sufficient to pay benefits under the Plan during the Plan Year for which they are due.

## Possibility of Benefit Suspensions

Federal law allows the board of trustees of a multiemployer pension plan in critical and declining status to suspend benefits in order to avoid becoming insolvent. A suspension of benefits means a temporary or permanent reduction of any current or future payment obligation of the plan to any participant or beneficiary under the plan, whether or not in pay status at the time of the suspension of benefits.

However, there are rules and conditions that must be satisfied before a plan is permitted to suspend benefits. For example, no suspension of benefits could occur unless the plan's participants and beneficiaries have received notification and been provided with an individualized estimate of the effect of the suspensions on their benefit if the suspension takes effect. In addition, an application for any possible benefit suspensions must be made to the Secretary of Treasury. The Secretary of Treasury, in consultation with the PBGC and the Secretary of Labor, can approve, reject, or not provide comment on any benefit suspension applications that they receive. Plan participants would be able to submit comments to the Federal government regarding any possible benefit suspensions, and a participant vote would be required before any suspension of benefits may take effect.

There are limitations and restrictions on benefits that may be suspended. For example, there are limits to the amount that benefits can be suspended for participants or beneficiaries who have attained age 75 as of the effective date of any benefit suspension. Participants or beneficiaries who have attained age 80 as of the effective date of any benefit suspension or who are receiving benefits based on disability (as defined under the plan) may not have their benefits suspended.

***If the Board of Trustees determines that benefit suspensions are necessary, you will receive a separate Notice in the future identifying and explaining any such benefit suspensions.***

## 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.

The Plan has been in critical status since 2009. On August 23, 2010 the Board of Trustees adopted a rehabilitation plan that was ratified by the bargaining parties. The rehabilitation plan includes changes in the Plan's Early Retirement Benefits, Deferred Vested Retirement Benefits, Total and Permanent Disability Retirement Benefits, Disabled from the Trade Benefits, and Pre-retirement Death Benefits. In addition, on August 28, 2010, Plan participants were notified that 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.

## Adjustable Benefits

The Plan offers the following adjustable benefits that may be reduced or eliminated as part of any rehabilitation plan update that the Plan may adopt:

- ☑ Unreduced Early Retirement benefit at age 60 for participants with 25 years of service;
- ☑ Subsidized Early Retirement benefit at age 58 for participants with 5 years of service;
- ☑ Total and Permanent Disability benefits (if not yet in pay status);
- ☑ Other similar benefits, rights, or features under the Plan, including the Plan's pre-retirement death benefits and suspension rules.

If the Board of Trustees determines 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 ***<u>(other than the possible benefit suspensions described above)</u>*** will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, other than the possible benefit suspensions described above, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after August 28, 2010.

## Where to Get More Information

For more information about this Notice, you can contact the Plan Administrator, the Board of Trustees of the Bricklayers Local No. 55 Pension Plan, at HealthSCOPE Benefits, 8901 Otis Avenue, Suite 200, Indianapolis, IN 46216, or by calling 800-398-9943. For identification purposes, the official Plan number is 001 and the Plan Sponsor's Employer Identification Number, or "EIN", is 31-6126985.